

Trucking Business

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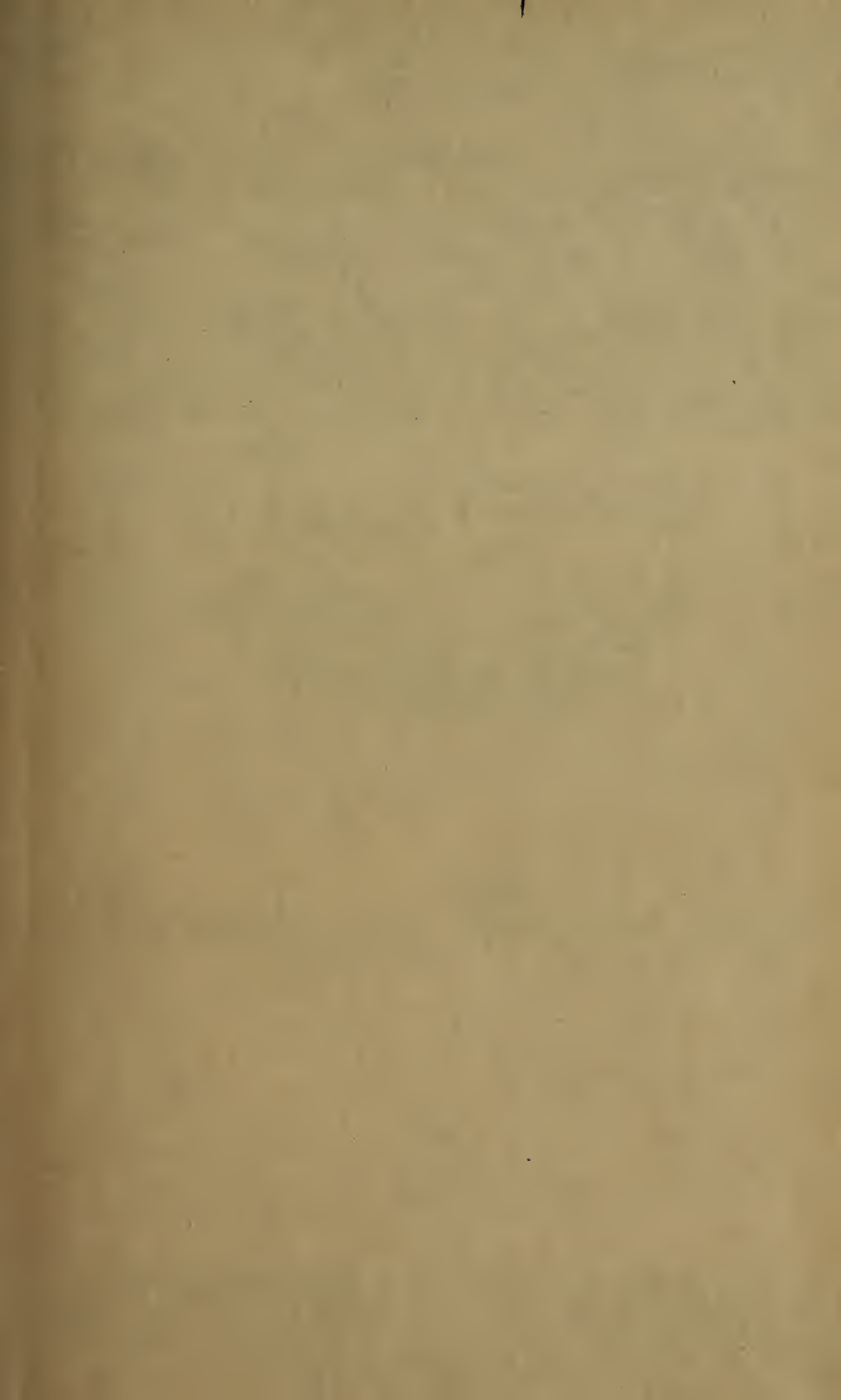
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Trucking Business



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ESTABLISHING AND OPERATING A

Trucking Business



Industrial (Small Business) Series No. 52

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Note

This booklet offers basic information and counsel on Establishing and Operating a Trucking Business. It contains no magic formula for success, but it does suggest some practical standards by which the interested reader can measure his qualifications and prospects, as well as gain some understanding of the operating problems involved.

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CHAPTER I

THE NATURE OF THE BUSINESS

Trucking has not only come into general use in our economic activities but it has also remained primarily a small business operation. To be sure, many large corporations are engaged in trucking, but by far the larger number of truck owners operate only one or two trucks. At the end of 1943 out of a total of 4,659,000 trucks operating under certificates of war necessity, 3,076,000 were owned by single unit operators. About 52 percent of the trucks included in the 1935 Census of Motor Trucks for Hire were operated by people owning only one truck, and 87 percent of the concerns covered by that census operated only one truck each. It is therefore clear that in order to enter the trucking business it is not necessary to acquire a large number of vehicles at the beginning. Most of the concerns which now operate large fleets of trucks started with one or two vehicles, and as business developed bought more.

Growth in the Use of Trucks

Trucking is one of our youngest transport industries. In 1910 there were only 10,000 trucks registered in the United States. Ten years later the number had increased to over 1,000,000, and in 1945 approximately 4,835,000 trucks were registered in the United States. This remarkable growth in the use of trucks was made possible by the progress in automotive engineering, the construction of better highways, and improvement in the quality and quantity of motor fuel.

The trucks first manufactured were clumsy, poorly sprung and slow, and rarely operated outside the cities. But, gradually great advances were made in the motor and other parts of the vehicle, and solid tires gave way to pneumatic ones. Thus, the motortruck, representing a relatively small investment, is now an efficient and economical means of transportation. Because of the motortruck every town and hamlet, and, in fact every farm enjoys rapid and economical service to far-off markets and can share in the products from distant lands.

IMPORTANCE OF GOOD ROADS TO TRUCKING

Before 1916 practically all roads outside the city had dirt surfaces. At the end of 1942 there were 187,679 miles of high-type surface (concrete and

better bituminous) on our rural roads and over 1,200,000 miles of low-type surface (lower grade bituminous and macadam) out of a total of slightly more than 3,000,000 miles. Plans for further extension of our highway improvements are now under way.

Rural Road Mileage in the United States at the End of 1942

<i>Type of surface</i>	<i>Total</i>
Non-surfaced.....	1,538,700
Low-type surfaces.....	1,218,657
High-type surfaces.....	187,679
Unclassified.....	58,816
	<hr/>
Grand total.....	3,003,852

Source: "Highways in the United States," issued by Public Roads Administration, Federal Works Agency, 1945, p. 12.

The Various Uses of Trucks

Following the improvements in vehicles, roads, and motor power, great extensions have taken place in all trucking operations. At present, the motortruck plays a very important part in farm transportation and in the extractive industries, such as lumbering, mining, petroleum, quarrying, as well as in the carrying of merchandise. The extractive industries are in many instances located far from railroads and waterways. The motor-truck allows these out-of-the-way places to contribute their share to a uniform and extensive development of the country. Wholesale and retail businesses use the motortruck as a convenient and economical means of meeting their transportation requirements, and in many of our manufacturing industries the motortruck has, in fact, become a part of the regular assembly line.

Here is the way the truck fleet of the country was distributed between the various businesses in 1944:

Privately owned trucks.....	3,880,144
Trucks owned by Government agencies.....	233,421
For hire trucks.....	630,017
Local common carriers.....	117,310
City-to-city common carriers.....	154,967
Contract carriers.....	342,890
Tank trucks (all for hire uses).....	14,850
	<hr/>
Total trucks.....	4,743,582

Local and Intercity Trucking

If you consider entering the trucking business you must study carefully the different fields of operation to find out where the best opportunities are. By far the largest number of trucks are engaged in local and farm opera-

tions. Out of a total of 4,659,000 trucks, not less than 4,084,000 were engaged in local operations compared with 575,000 engaged in city-to-city transportation.

Seventy-five percent of the truck operators listed in the Census on Motor Trucking for Hire were engaged in local trucking, 17 percent in city-to-city business within the State, and 8 percent in business crossing State lines. In any community the relative importance of local as compared with interstate trucking operations may differ widely from these averages. Moreover, the war may have caused certain dislocations in the transportation in certain communities, and only an investigation on the spot can determine the actual present conditions. Careful study of any local area is necessary to determine in which particular field the best opportunities may be available.

It is also important to note that even if the concern is small it is not excluded from interstate business. In 1943 out of a total of 3,076,000 single truck operators, 2,884,000 were engaged in local operations as compared with 192,000 in city-to-city transportation. Of the concerns operating two or more vehicles, 1,200,000 trucks were used in local transportation compared with 383,000 in city-to-city service. Hence, whether a person proposes to start operation with one or more vehicles, both fields of trucking service should be carefully investigated to determine the best opportunities in the locality.

What Field Should You Enter?

The field of trucking service which any prospective operator should investigate extends from a minor local operation to an interstate business. In the local field you may consider operating your truck under lease for a bakery company or ice company or any other concern engaged in route sales activities. Then there is the field of local drayage business, and pick-up and delivery service for local business.

These are merely indications of the large variety of trucking services which may be offered locally. The opportunities available in interstate transportation may also be studied, depending on the part of the country in which you are located.

FIND THE MARKET FOR YOUR SERVICE

You should make a personal investigation among the businessmen of the locality where you are considering starting operation to find out whether the community needs additional trucking service and if so the type which may be required. If the businessman with whom you talk is interested in the trucking service you propose, try to get answers to these questions, among others:

1. What trucking service will the businessman require per day or per week?
2. Would that service be seasonal or all-year-round?
3. What is the type and quantity of commodities to be hauled?

4. If finished goods are to be brought to market is it practical to bring raw materials to the plant as the return load?
5. What is the length of the haul?

If you assemble information of this type from business friends in your locality you will be in a position to determine whether additional trucking services are required and the type of service which will be needed, as well as whether you would be interested in undertaking that kind of trucking activity.

RESTRICTIONS ON YOUR BUSINESS

Before committing yourself to any expenditure for equipment, it is important for you to find the attitude of organized labor to a new trucking enterprise. In some of our cities the truck drivers' union has indicated its desire to be consulted on the need for additional trucking service.

You should also make an inquiry of the requirements to obtain authority to operate a truck or trucks. Such inquiries must be made from local, State and Federal authorities. Your inquiry should be addressed to the city clerk who will indicate the name of the agency of the government which has jurisdiction. The State Motor Vehicle Administrator at the State Capitol is usually in a position to furnish full information regarding any State regulation. If you propose interstate trucking, discuss the matter with the nearest district office of the Bureau of Motor Carriers of the Interstate Commerce Commission. (See ch. V for a list of these offices.) Any official in that office will be glad to present information regarding Interstate Commerce Commission regulations. Some kinds of interstate trucking are not regulated by the Interstate Commerce Commission, except on maximum hours of service, safety and equipment.

There are, however, two kinds of over-the-road intercity services which are definitely under the jurisdiction of the Interstate Commerce Commission, namely, the common and contract carrier services. The common carrier hauls, for any person or concern, such articles as he is authorized under Interstate Commerce Commission regulations to transport. The contract carrier hauls for a limited number of shippers on the basis of special and individual contracts.

It is also important for you to determine the amount of taxes, and registration fees you must pay, and the insurance and other requirements which may be contained in the law of the State or States in which you propose to conduct your business.

Are You Suited to the Trucking Business?

You should also clarify in your own mind whether or not you are suited to the trucking business. If you expect to have a white-collar job with working hours from 8 o'clock in the morning to 5 in the afternoon, you will probably be disappointed, and sooner or later will look for other employ-

ment. If you operate one or two trucks and expect to make a success in the trucking business, it will be necessary for you to arrange all schedules of operation, assist in the loading and unloading of the truck, drive one truck yourself, and perhaps make minor repairs on the truck or trucks after working hours and at other odd moments. Besides, you must keep a careful record of all expenses, solicit the freight, keep records of all trucking services performed, collect all bills and handle all other details connected with the operation of the business.

Unless you are ready to accept such a job for yourself you will probably find that the business will not be remunerative and that you will face disappointment. However, if you meet the requirements of the business, and have a personality to get along well with people, there is considerable reason to believe you will be successful in the trucking business.

CHAPTER II

OPPORTUNITIES FOR A NEW TRUCKING SERVICE

The war disrupted the trucking services. Many small operators discontinued their service during the war either because of difficulties in obtaining tires and spare parts or because of wartime restrictions on the service in which they were engaged. Some of these operators protected themselves by requesting a temporary suspension of their authority to operate. Others neglected to request such an authority and merely discontinued operations. In view of the withdrawal of wartime restrictions and with the resumption of peacetime business many of these operators will undoubtedly resume business. Others will not go back to trucking and there will be opportunities to establish a new business. The expansion of the Nation's economic activities should also provide new types of trucking opportunities.

In many localities retail merchants and department stores formerly operated their own delivery services. During the war such services were either sharply curtailed or discontinued. Some retailers have now decided not to resume delivery activities of their own, but rather to employ contract carriers to perform the transportation service they require. Some old established trucking concerns will be selected to serve these needs, but new truck operators will also obtain some of the business. Look into this possibility carefully. In some instances the retail businesses have selected small truck operators to serve them on the ground that these will probably be less affected by labor shortages and stoppages than the larger trucking concerns and will therefore be able to provide more regular trucking service.

Where the Opportunities Are

The first thing you must do is consider the attractions of the various types of trucking and the locations where truck service is needed. In some localities it may be relatively easy to find both the business and a good location, but in others the problem may be a great one. Some opportunities may be strictly local while others may appear in the intrastate or interstate fields. One of the most common trucking services in most localities is drayage. This includes general hauling for various types of businesses and the pick-up and delivery of freight. There are many other types of trucking service, however, and you should consider carefully the attractions of all of them together with the need for each service in the location you propose to select.

Hauling for stores.—Many retailers are in need of trucking service to haul goods to and from the freight station and to make deliveries. The owner of one or two trucks might make arrangements with two or three grocery stores to do their hauling and they would probably provide all the business that one operator could conveniently handle. In a small community one truck could do all the hauling required by the retail stores. In large cities some department stores are in need of a delivery service. This field warrants your investigation for it may lead to a very remunerative business. While, no doubt, many communities have already one or more trucking concerns engaged in hauling for stores, the growth of cities and the increase in general business activity may provide opportunities which you can develop in this field. Two or three retailers may provide all of your business or they may use only 50 or 60 percent of your capacity. Such a situation would be a challenge to your salesmanship and should spur you on to a further study of the trucking needs of your community.

Hauling for construction jobs.—The extensive building operations now being planned in many cities to relieve the accumulated housing shortage will offer many opportunities to start a service of dump trucks to haul dirt and gravel for building projects and for use in street and road making. If the necessary equipment can be obtained, you may find a profitable business in this kind of operation. In many localities this kind of trucking service is seasonal and in most cases consists of services on short jobs. You should be on the lookout for other jobs so that your equipment will be fully used throughout the year. The extensive highway improvement program now



Many businesses are in need of trucking service to haul goods to and from the freight station and to make deliveries.

under way in many parts of the country should offer remunerative employment to operators of dump trucks.

Hauling of petroleum products.—The operation of a tank truck for hauling gasoline to filling stations and fuel oil to houses and business establishments may present some opportunities. The rapid expansion of motor traffic on the highways has enlarged the requirements of the filling stations. In most cases supplies are delivered in trucks owned by the oil companies. In other cases trucks owned by others may be able to take over some of this service on a charter basis. A private trucker usually hauls petroleum products between refineries and bulk plants or between bulk plants and filling stations, homes, and business establishments.

Hauling coal and ice.—In many communities there are opportunities to make retail deliveries of ice in the summer and coal in the winter. This kind of hauling may require a duplication of equipment, unless two bodies are available for the truck. By combining these two seasonal services, rather continuous employment of manpower and equipment is possible. Although these services often involve many hours of hard work, they can yield the operator rather satisfactory returns for his effort.

Pick-up and delivery service.—In many communities new business opportunities have been found by developing a dime or quarter delivery service. Various kinds of stores with no delivery service of their own, professional men who have parcels to deliver and various other businesses including flower shops and drug stores, often welcome the establishment of a service which will deliver parcels for a moderate price. The amount charged would have to be based on the estimated cost of performing the service. After such a business has been started in a community, retailers of various goods would no doubt be glad to make use of it.

The collection and delivery of air express and air freight will offer increased opportunities in many communities. In the early days of air express, the pick-up and delivery service was performed by the Railway Express Agency, but with the present rapid growth of scheduled and non-scheduled air freight services, there are many new chances to develop a new business. With the anticipated growth in airline freight traffic, the trucker should find a healthy growth in his own business.

Many large interstate truck operators lack the organization necessary to tap the volume of freight available in wide areas surrounding the cities, and these companies might welcome the cooperation of local truckers who would assemble and deliver freight in the immediate community as well as in the country areas. Railroads in their less-than-carload freight service might also welcome the cooperation of local truckers, especially on a contract basis, to pick up and deliver freight in areas where the railroads do not own trucking business to serve their needs.

These suggestions indicate some of the trucking opportunities which may exist in your immediate community and the surrounding area. Practically every community will have other needs for trucking service which have not

been mentioned here, but which will offer you additional possibilities for operating a trucking business.

Intrastate Trucking

Some trucking opportunities are also available outside cities and towns. Hauling of dairy products, farm products, deliveries for summer resorts and operating a delivery route are some of the possible areas of activity in this field.

Hauling dairy products.—One field of intrastate trucking which has been extensively developed is the bringing of milk and cream from farms to local country creameries. In some cases the truckers are engaged by the creameries to operate certain routes while in other cases the trucker himself has gone out among the farmers and developed a collection route of his own.

In many country areas a group of cooperating farmers have hired a trucker to haul milk for them from their farms to city milk plants. Good opportunities exist in this field. Such a trucker would call for the milk in the morning and bring back the empty cans in the afternoon. Upon request he might also bring back to the cooperating farmer items of farm supplies.

During the years immediately before the war, various companies started the condensery business in new places, especially in the South. Condenseries process fresh milk and can it. The establishment of these businesses led to extensive development of the dairy business among the farmers and the sale and transportation of milk to the condenseries. In these places the area from which milk is collected is extended since more milk is needed to supply the needs of the condensery and any wide-awake trucker would welcome an opportunity to enter such a growing business.

Large quantities of milk are brought in tank trucks from country creameries to city milk plants. Many of our cities from 100,000 inhabitants up are now receiving from 75 to 100 percent of their milk supply by truck, and practically all cities of less than 100,000 receive all their milk by trucks. This field of activities may offer important opportunities.

Hauling farm products.—Trucking of farm commodities from farm to market or to the railroad offers a varied and important field of service. The commodities most commonly considered in this kind of service are grain and livestock. To a limited extent farmers bring their own livestock to market, but a much larger volume is carried by common and contract truckers who operate equipment especially designed for this purpose. In some farming areas this kind of trucking may be adequately supplied, but in other regions new truckers may find remunerative employment.

The trucking of grain from farms to local or city elevators offers extensive business during and shortly after the harvest season. This field is worthy of careful study by anyone interested in starting a trucking business.

Seasonal hauling of fruits and vegetables from farms to canning plants during the canning season presents further important trucking oppor-

tunities. During the war many of these areas have suffered from severe truck shortage and lack of manpower. There should now be many opportunities in this field for anyone who has the equipment for it.

In many States the Grange League Federation and other farm organizations have in the past contracted for hauling large quantities of feed and fertilizer to members. Rendering such trucking service may lead to valuable connections for obtaining further business.

Hauling for summer resorts.—Another seasonal trucking business is represented by the requirements of summer resorts and tourist camps for large quantities of supplies for their patrons. Various trucking companies are engaged in operating refrigerated trucks between nearby cities and such areas. Since the tourist trade promises to be larger now than before, the volume of transportation service required in these areas should be substantial.

Operation of delivery routes.—Many types of businesses, such as bakeries, proprietary medicine companies and others, maintain route salesmen. Some of the routes extend for many miles, but much of this business was discontinued during the war. With the return of peace, these concerns will seek to reestablish those activities, and in many cases will extend them. Such opportunities should be carefully investigated to determine what extensions might be made in these types of trucking services.

Special types of hauling.—The foregoing suggestions related to trucking on streets and highways. There are also trucking opportunities off the highways in such businesses as hauling coal from mine pit to railroad or directly to market, or hauling logs from forest to highway or saw mill. These trucking services may require special equipment, but should offer remunerative employment in some parts of the country.

Interstate Trucking

While trucking in interstate commerce is mentioned last in this discussion of opportunities, it is by no means the least important. The interstate field offers opportunities of hauling commodities exempt from regulation by the Interstate Commerce Commission, hauling as a common carrier, hauling as a contract carrier, and leasing trucks to concerns engaged in interstate transportation.

Hauling commodities which are exempt from regulation.—The hauling which is exempt from Interstate Commerce Commission regulation includes the operation of (1) farmers' trucks when used to haul their own products or the supplies they need; (2) trucks owned and operated by a cooperative association of farmers; (3) trucks used exclusively to carry livestock, seafood or agricultural commodities; (4) trucks used exclusively in the distribution of newspapers; (5) trucks used incidental to transportation by aircraft; and a few other types of trucks. Most of these services can be operated by an independent trucker.

Common carrier service.—Perhaps the best known interstate trucking business is the common carrier service. A common carrier is “any person which holds itself out to the general public to engage in transportation by motor vehicle in interstate or foreign commerce of passengers or property or any class or classes thereof for compensation, whether over regular or irregular routes.”

The Interstate Commerce Commission regulates “common carriers by motor vehicle and to that end the Commission may establish reasonable requirements with respect to continuous and adequate service, transportation of baggage and express, uniform system of accounts, records and reports, preservation of records, qualifications and maximum hours of service of employees and safety of operation and equipment.” A common carrier can haul any type of commodity for which he is authorized.

Contract carrier service.—Another type of interstate motor vehicle transportation is known as contract carrier service. A contract carrier is a trucker who, under *individual contracts or agreements*, engages in transportation other than common carrier service in interstate or foreign commerce for compensation. The regulation by the Interstate Commerce Commission is similar to the regulation of common carriers.

A full description appears in a later chapter of how a person obtains from the Interstate Commerce Commission authorization to operate as a common or contract carrier in interstate commerce, what forms must be filed and other regulations in relation to such an operation.

Leasing trucks.—One type of interstate truck transportation, less common than some others, though of considerable importance, is the leasing of equipment. There are two types of leasing. One type is the leasing of a truck by one motor carrier to another to avoid empty trips.

The second type of lease is represented by the owner of one or more trucks who leases his equipment to another operator who has authority to operate in interstate commerce. This operator supplies the vehicle and the driver and is known as owner-operator. Such an operator does not need to obtain any authority to operate in his own name. All he needs to do is to supply the vehicle in good condition with permit to drive it and to pass the physical examination required of drivers in interstate commerce.

Based on a sample taken during one week in July 1941, the Interstate Commerce Commission made a study of the extent to which leasing was practiced in interstate and foreign commerce. Twenty-eight percent of the vehicle miles operated by the largest truckers were operated with leased trucks.

Look at All Possibilities

An indication has been given in this chapter of a wide variety of activities in which trucks play an important part, but no effort has been made to mention all the variety of transportation services in which trucks are or

may be used. Many communities will have opportunities not considered in other parts of the country because of special local business needs or because an energetic person saw a new opportunity.

The types of trucking services described in this chapter have been included in order to suggest to you the places in which you may begin to look for opportunities. You may find all the business you are able to handle in one or two of the fields suggested. But whatever type of trucking service you actually enter, you should look into other possibilities enough to satisfy yourself that you have made a good choice. The advantages and disadvantages of different possible types of service should be weighed until a decision can be reached not on a first emotional impression, but upon reasoned decision. Moreover, you should discuss your choice with some person in whose fairness and good judgment you have confidence. In this way you may arrive at a clear decision as to the soundness of your proposed project. By trying to explain the project to someone else, you will clarify in your own mind many things which earlier may have been overlooked.

CHAPTER III

SELECTING YOUR TRUCK

The importance of acquiring the right equipment for any type of trucking business cannot be overemphasized. Great care should be exercised to purchase equipment which will provide economical and efficient operation in relation to the transportation job to be undertaken. Livestock hauling, for instance, requires an entirely different type of truck than would be used by a truck operator who intended to haul sand.

The size and type of tires with which the vehicle is equipped must also be selected most carefully. A mistake in the size of tires or other equipment can very easily result in higher cost of operations.

Truck manufacturers produce several types of trucks from which a prospective operator may select the one which is best suited to his needs. Your dealer will give you every assistance from the factory in his effort to engineer your equipment to the job you intend to perform. In the light and medium size field, every manufacturer produces a variety of trucks from which to select. In the heavier fields, the choices of both sizes and makes are fewer, but sufficiently numerous to provide a basis for selection.

Characteristics of the Truck You Need

The truck you select should be the one which comes the nearest to suiting the needs of the job you are going to do. See what you need in a truck and then see what truck best meets that need. These are some questions about the job you are going to do to which you must find answers:

*What is the approximate size of the load you will be required to haul?—*Remember that the larger the truck, the lower will be the cost of operating it per mile for each ton of goods carried. The size of the truck should also be suited to the available loads. You will not want to haul dirt for a road construction job with a ½-ton truck nor would you want to make milk deliveries with a 10-ton truck.

*What type of body is best suited to the operation you will perform?—*There are various choices of body such as dump, stake, rack, tank, pick-up, enclosed, and other more specialized types. Sometimes you have a choice of what you can select, as, for example, if you intend to do general trucking. You must select a body with a view to the type of business you are most likely to handle. Once you have made your selection, you will not be able



You must select a truck with a view to the type of business you are most likely to handle.

to handle certain products because your truck will not be suited to the transport of such items.

What performance do you need out of the truck?—You should consider whether your truck will be required to climb many steep hills and whether or not economy of operation is one of the most important items to take into account. You should also consider whether your truck will be required to make frequent stops and whether or not it will operate over rough or extremely rough roads. Decide before you make a selection whether the body of the truck will get serious abuse, as in the case of a dump truck, or whether appearance is an important factor as in the case of a truck making house-to-house deliveries. If you expect a traction problem you may want to select a truck with dual wheels or perhaps a four-wheel drive.

The answers to these questions will indicate to you just what kind of truck you want. You may come to the conclusion that only a 1946 model will serve your needs, or you may decide that you can use a dump truck which is not so neat in appearance. Whatever truck you select, be sure it is the best available for the job.

Buying a Used Truck

If you have only a small amount of capital to invest, it is likely that you have considered buying a used truck. At the present time, used trucks are difficult to obtain and the prices are very high. If you do contemplate buying a used truck, you will have to make a very thorough examination of it in order to avoid getting a bad bargain. If you are not very familiar

with trucks you will want to employ a truck mechanic to make the examination for you, and these are some of the things you should be careful to check on.

Check the mileage on the speedometer to see how far the truck has been driven. Remember that the speedometer may have been broken or disconnected for part of the time and thus may not reflect the actual mileage on the truck. It might also have been set back.

Check the wear on the gas, brake and clutch pedals because these are often a better indication of the wear and age than the speedometer reading.

If the truck has been overhauled learn at which garage the job was done, the condition of the truck at the completion of the overhaul and how far the truck has been driven since then.

Listen for engine knocks which indicate worn bearings or wristpins as well as other worn parts which may rattle.

Turn over the engine with a hand crank with the switch off to see if the compression is good or bad. If it is weak, worn piston rings or worn cylinder walls are almost certainly indicated. Listen at the exhaust manifold while someone else turns the crank, so you can hear if the valves are leaking.

Accelerate the truck hard up a hill or with a load on and watch to see if blue smoke which indicates worn piston rings or worn cylinder walls comes from the exhaust.

See that the clutch engages smoothly and that there is plenty of clearance between the place at which the clutch engages and the fully out position.

Check the brakes to see how quickly they stop the truck and whether they pull to one side or evenly. Listen for a metallic, rubbing sound when the brakes are applied. This sound indicates that there are places on which the brake lining has been worn off completely and the brake drums are being scored.

Test the lights and horn to be sure both are in proper working order.

Look over the tires to see how worn they are and be careful to note recaps, cuts and vulcanizing jobs.

Operate the starter with the switch off for about 15 seconds to see if it will stand the load or whether it is not working properly. This test will also indicate a weak battery if one is present.

Operate the truck at high speed and listen for noises in the transmission and differential. Troubles in these areas are very costly. Note at the same time if the truck heats up which may indicate a dirty radiator and engine or something more important wrong with the cooling system.

Run the motor at high speed for about 15 seconds to see if the generator is working properly.

Look under the hood for water leaks and on the ground for oil leaks after the truck has been standing for several hours.

Examine the finish to see if repainting is necessary. The top should also be examined, especially if it is fabric, and the crossbows should be checked to see if they need replacing.

Consider if spare parts are readily available. Some trucks are now out of production so that if a break occurs in a vital part, you may not be able to get a replacement from the distributor or the plant and you may have to have the part made, which is a costly undertaking. Consider how popular the model is, because the more popular the model, the easier it is to get spare parts.

The Availability of Trucks

A word of warning should be given regarding the scarcity of new trucks. The truck manufacturing industry expanded greatly during the war period and continued to maintain its production lines. The trucks produced were mostly of military design, however.

The prospective truck operator who desires to acquire new equipment to enter the business may find it impossible to locate a dealer who has a truck in stock. The shortage of trucks is likely to continue for some months and the supply situation is complicated by the tremendous demand for those vehicles that do become available. The average truck in operation in this country now is 8 years old and both private owners and fleet operators are seeking new equipment. Many trucks now in service are almost worn out and even those in fairly usable condition are greatly depreciated mechanically because of the hard usage they received during the war.

A person who purchases new trucking equipment in the immediate future will find that in appearance most trucks have changed very little, if any, from prewar models. Major functional changes will probably come in a year or two. Changes in engine or chassis, made at present, or in prospect for the near future, are chiefly those that can be accomplished without extensive retooling. Wartime, technical improvements are resulting in better bearings, valves and construction, however.

Buying a Truck From the WAA

A veteran may purchase a surplus truck from the Government. The first step is to obtain a certificate showing that he is a veteran and that he is eligible to buy surplus property under the provisions of the Surplus Property Act. In order to obtain such a certificate a veteran must present himself and his discharge papers to one of the Veterans' Certification Offices maintained in 104 cities by the War Assets Administration. A list of these offices is at the end of this booklet. The certification officer will give the veteran the necessary documents and will forward his request to purchase a truck to the Regional office of the War Assets Administration. When automobiles sales are scheduled by the regional office, notification (listing the kinds of vehicles to be offered for sale) is mailed to all veterans in that region who have indicated an interest in that commodity. Veterans are advised to make a personal inspection of the truck before the day of sale.

Any additional information on this subject can be obtained from the certification officers at the time the veteran registers as a buyer.

Getting Your Truck on the Road

Buying a suitable truck is one thing. Getting it on the road and working is another. In the first place you will have to register it. It will be wise to see what the registration fee for the particular truck you have in mind is before you sign the sales agreement. Before you get the license you are required in some states to have the truck examined. This examination may be routine or it may be very rigid. If it is rigid, you may spend a great deal of time and money getting the approval stamp which is required before the license can be secured.

In addition to having your truck pass inspection and buying the license you will, in all probability, be required to carry liability insurance. You can get an idea quickly on the cost of this insurance by consulting a local insurance salesman. See also the table at the back of this book which lists insurance requirements in each State.

In addition to the inspection costs, registration, and insurance, there are possibly other fees which you will be required to pay. It will be wise for you to consult other truckers in your area on this subject.

Truck Size and Weight Regulations

The sizes and weights of motor vehicles are subject to State regulation. The purpose of these regulations is to protect the highways of the State against being destroyed by too heavy loads and to avoid undue hazards to other vehicles.

The restrictions apply to the dimensions of the truck, length, width, and height, to the weight of the truck, to the weight on each axle or on each wheel, and to the recognition of licenses on out-of-State trucks. Some States have refused to allow trucks licensed in other States to operate over their highways. Other States have established ports of entry at their borders where out-of-State trucks are stopped and required to pay a fee.

Check carefully with the licensing authorities of the States in which you propose to operate to see whether your truck meets the various requirements and also what fees you may have to pay.

CHAPTER IV

ESTABLISHING THE BUSINESS

When you have considered the various advantages and disadvantages of the trucking business and decided that you would be successful in such an operation, you will want to establish your business, organize and finance it and give it legal status.

Capital Requirements

The amount of capital required to start and operate a trucking business will vary with the nature of the trucking service and the size of the operation you propose to undertake. A person engaged in local hauling for a number of customers where he can count on a daily or weekly pay for his services, will require less capital than one who operates a service where expensive equipment is used and where receipts come in more slowly. However, if you have between \$2,000 and \$3,000 in addition to the equity you hold in your truck, you should be able to establish successfully a small trucking business.

Getting the capital.—The primary source of capital for starting and operating either a proprietorship or a partnership is the amount of money owned by the person or persons who start the business. You will have to have enough funds in the bank to start and operate the business or you will have to secure such funds through a loan. You can obtain funds in several different ways.

A private loan.—One way to obtain funds is to borrow them from friends or relatives. These funds may be loaned with a specific understanding as to repayment or made on an indefinite basis. If the person supplying the funds wants to take some part in the business you will probably establish a partnership. This is a useful way to secure funds but you should be careful that your partner can contribute some activity to the business in addition to money. Remember too that if there are two of you in the business, the profits will have to be twice as large in order to satisfy both of your requirements.

A bank loan.—The private, commercial bank is still the main source of credit for business operations. Although it might charge a higher rate of interest than a large bank, the community bank, where you are known, is

more likely to be receptive to your needs. There are a number of different types of loans which you might make.

A character loan is made without collateral. It is based on the applicant's sales ability, business standards, and earning capacity.

A term loan is repayable after a period of a year or more, but up to the present time such loans have been granted mainly to large companies only.

Installment loans run for a year or less and are repaid in monthly installments. Interest rates on bank installment loans are relatively high, ranging from 7 to 20 percent per annum.

Usually some collateral is required. A banker probably will accept the cash value of a life insurance policy as security for a loan. Chattel mortgages are a common form of security for bank loans. The chattel mortgage is an assignment of title covering something you own such as machinery or other movable, personal and business, property to the bank which uses the title as collateral for a loan to you. Banks have also granted "discount lines" to responsible businessmen for such promissory notes as they accept from their customers.

The G. I. loan.—The Servicemen's Readjustment Act provides for the partial guaranty of loans which may be made by veterans to purchase business properties. The guaranty, which is made by the Veterans' Administration, may not be for more than 50 percent of the amount borrowed or \$2,000, whichever is greater. The Veterans' Administration does not make these loans. They must be privately secured through regular lending agencies, either governmental or private.

Finance companies.—Trucks are generally financed by banks, finance companies and trust companies. For a truck costing \$1,500, a typical finance plan would add a certain amount for insurance to the cost of the truck. To this total would be added a year's interest at 6 percent. One-third of this total would be required as a down payment and monthly payments would be made throughout the year.

When you have worked out your finances and secured your equipment you will want to plan the organization of your business so that you will be recognized under the law.

Forms of Organization

Whether you propose to use one or several trucks you must have some kind of business organization. The type of organization which you adopt will depend on how many trucks you plan to operate; whether your trucking business will be entirely local, within one State or between two or more States, and the extent of your financial resources.

You will have to decide to organize your business as an individual proprietorship, a partnership or a corporation. The National Resources Planning Board made a study of 20,452 trucks which operated between cities and were subject to the general jurisdiction of the Interstate Commerce

Commission in 1939. Of these trucks, 14 percent were owned by incorporated enterprises, 13 percent by partnerships and 73 percent by single proprietorships. Single proprietorships represented by far the largest percentage of the total business, but they accounted for less than 38 percent of the tons transported. On the other hand, the 14 percent representing incorporated business enterprises accounted for more than 52 percent of the tons transported. The table below, taken from "Transportation and National Policy," National Resources Board, May 1942, page 405, shows the relative size of operations of the three types of business organization.

*Type of Ownership of Selected Trucking Companies According to Size of Company*¹

Size of company (number of trucks)	Number of companies	Type of ownership—percent of total companies			
		Individual	Partnership	Corporation	Total
		<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>
1-----	7,300	88.2	8.2	3.6	100
2-----	4,382	78.2	13.4	8.4	100
3-----	2,649	68.2	16.7	15.1	100
4-----	1,687	61.5	18.3	20.2	100
5-----	1,157	60.1	15.2	24.7	100
6-10-----	2,378	49.0	15.8	35.2	100
11-15-----	565	36.6	13.0	50.4	100
Over 15-----	334	35.6	10.6	53.8	100
Grand total.	20,452	72.8	12.7	14.5	100

¹Data for Class II and III predominantly intercity carriers of property subject to the jurisdiction of the Interstate Commerce Commission in 1939.

The smaller companies are usually individual proprietorships, while the larger ones are mostly incorporated.

A Proprietorship

The proprietorship is by far the oldest and simplest form of business organization. It is the most common form used in the trucking business and is very important in other businesses.

Proprietorship is easy to start. It concentrates the authority in a single person. This is a strong motive for him to exert his best efforts.

Flexibility in organization is another advantage in operating a proprietorship. Changes in the purpose and in the scope of operations rest upon the judgment of a single person. He may withdraw from certain types of operations or move to another location without consulting anyone unless he has creditors who have an interest in his activities.

There is no one to share the profits of a proprietorship. If the owner works hard and is careful in his business judgments he is the one who benefits. Nor does he suffer from mistakes made by someone else.

A proprietorship is relatively free from Government control. If you do not violate antitrust laws, State motor carrier laws, or the Interstate Commerce Act, there is usually not much interference from the Government. If the trucker employs other persons, the wage and hour law and the Social Security Act must be considered, however.

A proprietorship is not free from difficulties. One principal disadvantage of such an organization is the sharp limitation in capital funds. The only funds usually available to a proprietor are those he himself has or can borrow on his personal or business credit. If such an amount is sufficient for his business activities he may not suffer, but if an opportunity should present itself for an extension of his business he may find difficulties in getting the money necessary to expand.

Another disadvantage is that a proprietorship permits of no division of liabilities. The total personal resources of the proprietor may be taken to pay his business obligations. This unlimited liability may also prevent him from taking advantage of developing opportunities.

A Partnership

When a truck operator finds that his present or proposed business requires more experience or capital than he has or can conveniently acquire, or involves greater risks than he is inclined to assume, he may decide to invite one or more persons to join him in the enterprise. This invitation may take various forms, but if it leads to an agreement to (1) joint ownership of the business, (2) investment in a common business project, (3) share in the resulting profits, and (4) a joint control of the business, it is usually considered a partnership.

While a partnership agreement may be either oral or written, it is preferable to have it in writing because by so doing the specific field of activity of the partnership can be more closely defined and the limitations of the authority of a partner can be specifically stated. Members of a partnership have certain rights and obligations toward each other and toward the public. The rights and obligations of the partners to each other are described in the partnership agreement and these relate, in general, to the participation of each in the management of the business. Withdrawal of a partner from the agreement does not relieve him from the obligations incurred by the partnership before his withdrawal. He may be held until all obligations of the partnership in existence at the time of his withdrawal have been settled.

A partnership has both advantages and disadvantages. The partners carry with them into other States all the rights which those States grant their own citizens. This may be very important in transactions involving business in other States. A partnership is less flexible than a sole proprietorship of equal size, but it is easily organized and is economical because the franchise taxes and filing fees which corporations are required to pay, do not apply to this form of organization.

Partners, on the other hand, are liable for the debts of the partnership, and each partner can serve as agent for the business in incurring debts. Some people view the division of authority as a disadvantage. Despite these limitations, the partnership form of organization is a fairly popular form in the trucking business, as the table on page 20 indicates.

Corporation Organization and Filing Fees

[In selected States]

	Delaware	New York	Maryland	Illinois	California
Filing fee	\$2.00	\$4.00	\$10.00	\$20.00	\$1.00.
State organization tax	One cent per unit of \$100 taxable shares up to \$20,000; $\frac{1}{2}$ cent per share from \$20,000 to \$200,000; and $\frac{1}{4}$ cent per share above \$200,000.	$\frac{1}{2}$ of one percent on authorized capital having par value, and 5 cents per share without value, but not less than \$10.	\$20 for \$100,000 or less; \$20 plus \$1 per \$5,000 or part thereof of between \$100,000 and \$1,000,000; \$200 plus \$10 per \$100,000 or part thereof between \$1,000,000 and \$2,000,000; \$300 plus \$15 per \$500,000 or part thereof between \$2,000,000, 0.00 and \$5,000,000; and \$390 plus \$20 per \$1,000,000 or part thereof on sums over \$5,000,000; shares without par value are treated as if having \$20 value for purpose of bonus tax.	License fee is $\frac{1}{10}$ of one percent of consideration to be received for shares before corporation starts business. This amount shall not be less than \$1,000, thus license fee minimum is 50 cents. <i>Franchise Tax</i> $\frac{1}{2}$ of $\frac{1}{10}$ of 1% for each month elapsing between issuance of certificate and July 1 of next calendar year. Minimum \$10.	\$15 for \$25,000 or less, \$25 for \$25,000 to \$75,000, \$50 for \$75,000 to \$200,000, \$75 for \$200,000 to \$500,000, \$100 for \$500,000 to \$1,000,000, \$100 for first \$1,000,000 and \$50 for each additional \$500,000 or fraction thereof.
Recorder of deeds	About \$10.00	Secretary of State sends copy and \$5 to county clerk.	\$5.00	The Cook County — 50 cents per page and 25 cents for certificate; other counties 75 cents for first 500 words and 20 cents for each additional 100 words; and 25 cents for certificate.	Usually \$5.00.

Source: These data have been summarized from material obtained from the Corporation Trust.

A Corporation

A corporation is a form of business organization frequently used by large establishments. It has the advantage of being more permanent in nature, and of having limited liability. The stock of a corporation may be transferred from one individual to another without affecting the business and the stockholders are usually liable only to the amount represented by their shares. If the shares of stock are fully paid when delivered to the investor, he has no further liability. Hence the corporation offers greater advantage to the investor and makes possible a larger business organization. All corporations are created by law and must have charters granted by the States. It is not necessary that a corporation be incorporated in the State where the business is to be conducted, but for a small corporation it is wise to obtain a corporation charter in the State where the business is to be done.

The cost of incorporation varies from one State to another, and as an illustration, there are given below figures for five States showing the varying costs.

In case you propose to incorporate your trucking business, a lawyer should be employed to draw up the necessary papers and examine the corporation laws of the State. By employing a lawyer the prospective truck operator not only will avoid many legal difficulties but he will also know his legal rights under the laws of the State in which he incorporates.

CHAPTER V

OPERATING AUTHORITY

Before you start your trucking service you may have to secure State or Federal authority. Local requirements, where they exist, usually amount to the payment of license fees.

State Authority

For operations within one State, but not strictly local, you will probably be required to prove that your operations meet a public need and that you are financially able to meet your obligations. To fulfill these requirements you file an application for a certificate of public convenience and necessity, if you desire to operate as a common carrier, or for a permit if you wish to operate as a contract carrier. The States have authorized Public Service or Railroad Commissions to pass upon applications to operate regulated trucking businesses.

The Secretary of State in the State in which you seek to do business will advise you as to taxes and fees, size and weight regulations and any other requirements. No attempt will be made here to specify the different requirements of the States. You can receive up-to-the-minute information as to the regulatory law in your State by writing to your State commission.

Federal Authority

If the proposed operations will be in more than one State you must meet the requirements of the United States Interstate Commerce Commission and receive a certificate or permit from that body. If you are an exempt carrier, as described in chapter II, you need only meet the requirements on safety and hours of service of the Interstate Commerce Commission.

Are You Subject to Federal Authority?

If you propose to operate as a common or contract carrier you must determine whether your operation will be in interstate commerce. If the movement is between two or more States, it is in interstate commerce and you must secure authority from the Interstate Commerce Commission. Even if the movement will be in one State only, it may be in interstate commerce. For example, transportation of loads originating outside the State may be

in interstate commerce even though you confine your part of the haul to one State only.

The Interstate Commerce Commission has defined common and contract carriers, and its decisions have further explained the definitions. Briefly, a common carrier is one who holds himself out to the public for hire. A contract carrier is one who hauls under individual contracts or agreements.

Where to get information on applying for Federal authority.—At this stage, seek advice from the District Director of the Interstate Commerce Commission of the State in which you are located or from the Interstate Commerce Commission, Bureau of Motor Carriers, Washington 25, D. C. If the field office of the District Director is near you, it would be profitable to visit there. The necessary forms will be supplied to you and you will receive complete information as to all the steps necessary in the prosecution of your application. If you reside some distance from the field office, you may write, describing your proposed operation, and request advice on it. You will receive prompt assistance. A field supervisor may contact you, or you may be advised as to the location of a nearby field supervisor's office.

A list of the Commission's District Directors' Offices is given below for your convenience.

DISTRICT OFFICES OF THE INTERSTATE COMMERCE COMMISSION, BUREAU OF MOTOR CARRIERS

<i>District</i>	<i>District Director and Office</i>	<i>States in District</i>
No. 1-----	George R. Nuzum, Room 1220 North Station, Office Building, 150 Causeway St., Boston 14, Mass.	Maine, New Hampshire, Vermont, Rhode Island, Massachusetts.
No. 2-----	T. G. Reynolds, 641 Washington St., New York 14, N. Y.	New York, New Jersey, Connecticut.
No. 3-----	W. L. Snodgrass, 1101 Gimbel Bldg., Philadelphia 7, Pa.	Eastern Pennsylvania, Maryland, Delaware, District of Columbia.
No. 4-----	R. M. Snetzer, 311 Old Post Office Bldg., Columbus 15, Ohio.	Western Pennsylvania, Ohio, West Virginia.
No. 5-----	H. P. Raymond, 240 Post Office Bldg., Charlotte 2, N. C.	Virginia, North Carolina, South Carolina.
No. 6-----	Williams Addams, 809 Standard Bldg., Atlanta 3, Ga.	Georgia, Florida, Alabama.
No. 7-----	E. S. Craig, 630 Third National Bank, Nashville 3, Tenn.	Kentucky, Tennessee, Mississippi.
No. 8-----	Frank Purse, 1122 Main Post Office Bldg., Chicago 7, Ill.	Indiana, Illinois, Michigan.
No. 9-----	W. E. Hustleby, 107 Federal Office Bldg., Minneapolis 1, Minn.	Wisconsin, Minnesota, North Dakota, South Dakota.

<i>District</i>	<i>District Director and Office</i>	<i>States in District</i>
No. 10.....	A. E. Birum, 912 Baltimore Ave., Kansas City 6, Mo.	Iowa, Missouri, Nebraska, Kan- sas.
No. 11.....	R. K. Hagarty, 153 United States Post Office & Courthouse, Little Rock, Ark.	Oklahoma, Arkansas, Louisiana.
No. 12.....	Tilden L. Childs, 1109 Electric Bldg., Fort Worth 2, Tex.	Texas.
No. 13.....	Dan P. Harris, Jr., 622 Midland Savings Bldg., Denver 2, Colo.	Wyoming, Colorado, New Mexico.
No. 14.....	Bert L. Penn, 420 Continental Bank Bldg., Salt Lake City 1, Utah.	Montana, Idaho, Utah.
No. 15.....	Frank E. Landsburg, 323 Pittock Block, Portland 5, Oreg.	Oregon, Washington.
No. 16.....	Pete H. Dawson, 543 Monadnock Bldg., San Francisco 5, Calif.	Arizona, California, Nevada.

Authority to operate as a common carrier.—If you intend to operate as a common carrier in interstate commerce, you must secure a certificate of public convenience and necessity from the Interstate Commerce Commission. Before the Commission will grant such certificate, you must appear before an examiner at a hearing which is usually held in your general vicinity, and submit evidence that the public convenience and necessity require the operations, and that you are fit, willing and able to perform them.

Proving your fitness, willingness and ability.—If you demonstrate that you have the necessary assets, that you have had some business experience, and that you are willing to observe the Commission's regulations you probably will have little difficulty proving that you are fit, willing and able to perform the proposed operations. Your willingness is obvious. You may have had previous experience in a trucking business or as an employee of a trucking firm. Possibly you obtained experience operating and maintaining trucks in the armed services which would fit you to operate trucks as a business. Ability to perform the proposed service can be demonstrated by showing that the essential equipment is available and by submitting a financial statement indicating that the business can be financed.

Proving that your proposed service is needed.—More difficulty will usually be experienced in proving that the proposed service is required by the present or future public convenience and necessity. This is because the tests of public need which the Commission has devised are difficult to meet and because at the hearings on new applications the carriers already authorized to operate may appear, and frequently do so, to oppose the new operator. If a proposed operation is between two large centers, the opposition may be expected to be heavy, particularly if the proposed transportation is of

general freight because many truckers are usually engaged in this business. On the other hand, if a proposed operation is of a highly specialized character or is limited to a territory or routes off the beaten path, the opposition may be light or nonexistent.

Is the existing service adequate?—The general tendency of the Commission is to deny proposals to start new common carrier service unless a convincing showing is made by the applicant that the service and facilities of existing carriers are inadequate. This is a difficult test to meet when several motor carriers are already serving the proposed routes. Even the offer of lower rates by a new line will not be given consideration as a factor in the adequacy of existing services. Moreover, if a case can be made that the present facilities are inadequate, the existing carriers will usually state that they are willing to add the additional equipment. Even when no motor carriers have protested a new operation, it is still necessary to demonstrate that a public need exists for the proposed service.

Convincing evidence which will satisfy the Commission that the existing trucking services are adequate may vary from mere statements by existing carriers that their service is adequate to facts presented by them to show that excess trucking capacity exists. The Commission may deny permission if it feels that the applicant has not proved the existing facilities to be inadequate.

Although the certificate requirement protects existing carriers from new competition, the Commission does not deny new applications merely because another trucking service would add competition. Nor, does it deny applications because new services would add to the competition of the railroads. New operations are denied where, in the Commission's judgment, they would impair sound economic conditions in the trucking industry. Generally speaking, all new services would add convenience and other benefits to shippers, but it requires strong evidence of public need to obtain a certificate in most cases.

Have plenty of evidence on the need for your service.—No precise statement can be made of what evidence will be required to satisfy the Commission that a public need for a new service exists, for the proof varies with the circumstances of each case.

Some useful suggestions, however, can be given. First, it will be necessary to describe in detail your proposed operation and to present evidence showing the public need for a new service as well as why existing services by other motor carriers are not adequate. These statements must be filed on forms supplied by the Commission. Second, if a hearing is held upon the application, as will usually be the case, it will be desirable to have your plan of operation so thoroughly worked out that defending it under severe questioning will be possible. Third, it will usually be helpful to have as many shipper witnesses as are available to testify with respect to their needs for your proposed service and the reasons why existing services do not satisfy their needs.

Knowledge of traffic potentialities in the territory to be served and of all existing trucking operations will be an aid to preparation of a good case. Obviously, you should avail yourself of the advice of the local officials of the Commission, of shippers and carriers interested in your services, and of a lawyer or a traffic expert licensed to practice before the Interstate Commerce Commission.

Look up specialized trucking services.—In view of the difficulties of proving that the public convenience and necessity requires an additional common carrier service, you might well seek opportunities in specialized fields of trucking rather than in trucking of general commodities over regular routes between large cities. The Commission is generally inclined to grant applications if the service proposed is peculiarly adapted to the shipper's needs, is not attractive to motor carriers of general commodities over regular routes, or would not materially injure the interests of the existing carriers.

For example, a common carrier was permitted to serve additional points because "garment finishers in eastern Massachusetts and Rhode Island find it economical and convenient to ship their finished garments on hangers ready for sale upon arrival at New York . . . a service . . . [which] requires a specially built truck, such as applicants own and operate."

Other situations in which the Commission has granted authority for distinctive service not readily procurable from existing carriers include the provision for especially prompt deliveries so as to make possible continuous production, special distribution activities, direct rather than time-consuming service which requires an interchange of traffic between trucks, farm-to-market service upon call, and the transportation of oil-drilling machinery and supplies and building materials to out-of-the-way points.



Courtesy American Trucking Associations, Inc.

Some truck lines offer specialized services including door-to-door delivery.

There are many other possibilities for distinctive trucking services on a small scale, for it should be remembered that trucking affords a much more personalized service than most other forms of transportation. The adjustments now taking place from a war economy and the great need for supplies for both industrial production and consumption should afford many opportunities of this type.

Consult standard services.—The Commission's printed decisions in *Motor Carrier Cases* comprise a useful source for more specific information on the tests which you must meet and the types of evidence you must submit to obtain operating authority from the Interstate Commerce Commission. If you are interested in noting the types of limitations the Interstate Commerce Commission typically imposes upon the commodities that may be hauled, the routes or territories that may be served, the types of services that may be offered, and the types of businesses which may be served, you would find helpful information in a report by the Board of Investigation and Research, an official body. That report is entitled *Federal Regulatory Restrictions Upon Motor and Water Carriers*, Senate Document No. 78, Seventy-ninth Congress, first session, 1945. It may be referred to in libraries having Government repositories and may be procured from the Superintendent of Documents, Washington 25, D. C., for 50 cents.

Securing a permit for contract service.—If you desire to start a contract carrier business in interstate commerce it will be necessary, as already noted, to obtain a permit. You must present proof that the operation proposed will not be inconsistent with the public interest. There is very little difference in the procedure of meeting the requirements of proof from that to be followed in making application for a common carrier certificate. Hence, proceed by filling out and filing the necessary application forms, and by preparing evidence of the need for the proposed service. It will be necessary to show the Commission that the proposed operation will be limited to serving under special and individual contracts with a limited number of shippers, for if the proposed operation seeks to serve all who may wish the service, it is likely to be declared a common carrier operation.

Possibility of getting temporary authority.—You may, pending determination of your application for permanent authority, apply to the Interstate Commerce Commission for temporary authority to operate. Applications for temporary authority do not require a hearing but receive immediate attention. An applicant for such authority is required to show that there is an immediate and urgent need for the service, and that there are no authorized carriers capable of meeting the need.

Getting Federal authority if you have State authority.—If a carrier has an intrastate authority (issued by a State and authorizing certain operations in such State), he may secure interstate authority for the same operation from the Interstate Commerce Commission by registering the State certificate with the Commission and complying with the insurance and rate-filing requirements of the Commission. Your operation will be the same as that

authorized by the State, except that you will then be permitted to transport goods moving between States. You can thus avoid the necessity of going before an examiner of the Interstate Commerce Commission for a hearing and proving public convenience and necessity.

Buying Out an Existing Trucker

There is another way in which you can get into business. You may purchase the certificate or permit of a carrier who has already secured authority from the Interstate Commerce Commission. If the operation is large, such franchises, if they can be bought, frequently run into large sums of money. The transaction must also be approved by the Interstate Commerce Commission, but such approval is frequently fairly easy to obtain.

Prepare Your Case Carefully

Prior to filing for State or Federal authority you should not only familiarize yourself with the prospective operation but also determine that there is a definite need for your services. While you are not required to have an attorney, you would be very wise to procure the services of one thoroughly acquainted with State and Federal regulatory commission procedure.

You will probably start with a small operation. Such applications are less costly, and usually are much less contested. They are concluded much faster than the applications which involve large operations.

What Will Applying for Authority Cost?

You should have information on the cost of obtaining authority to operate in interstate commerce. While no estimate can be given for all types of operations, it is not unusual for a trucking company to spend from \$500 to \$1,000 in legal fees and in preparing exhibits necessary to support an application. The time required to prepare the case can also be considerable, sometimes requiring 6 months or more. Because of this cost and the difficulty of proving that a public need exists for a general operation, it is obviously desirable for the newcomer to seek to provide unusual services or to serve territories not adequately served by existing carriers.

After You Receive Authority to Operate

Assuming that you have made a proper showing that your service is required by the public convenience and necessity or is not inconsistent with the public interest, an order may finally be entered by the Commission, authorizing operations *upon compliance* with the insurance and tariff requirements of the Commission. When the necessary compliance has been met, a final order is entered and you may then start operations. Insurance companies

will assist and write up the necessary cargo insurance and insurance for the protection of the public. Tariff publishing agents throughout the United States will assist you in preparing your rates for filing with the Interstate Commerce Commission.

Value of Operating Authority

It is not simple to get into the regulated trucking business, but if you can accomplish the necessary steps and secure the authority, the State and Federal regulatory bodies will protect you from encroachment by unauthorized carriers as well as from the attempts of others to secure authority for the same operation you are performing when the traffic will not support additional carriers. You will have the right to protest the application of new applicants and file complaints against unauthorized truckers.

You May Not Need Operating Authority

If you are discouraged by the legal and other difficulties of obtaining operating authority, you might explore again the various types of operations for which no operating authority conditioned upon a showing of public necessity is needed. Among these are hauling within cities or metropolitan areas, exclusive hauling of agricultural products in interstate commerce, hauling for other carriers by leasing your truck to them, and exclusive hauling of seafood. In addition, some of the States do not require proof of public need as a condition for engaging in certain types of operations within a single State, although they may require you to obtain a permit by paying a filing fee, to file your tariffs, and to submit evidence that you have proper insurance.

CHAPTER VI

RATES, TARIFFS, AND COSTS

The rates which you charge for your trucking services will vitally affect the success of your new enterprise. If the rates that you quote are too high, you will encounter difficulty in attracting customers to your service. On the other hand, if your rates are too low, you may attract adequate traffic to utilize your equipment fully but fail to receive sufficient revenues for profitable operations. Of these two pitfalls, the beginning trucker is most likely to succumb to the latter. The reason is that inability to obtain traffic gives a clear warning that something is wrong, while it is not so obvious when rates are unprofitably low.

The Importance of Setting Your Rates Correctly

So long as your rates are returning revenues sufficient to cover your direct operating expenses and your wages for management and any other functions that you may perform, it will often seem that a completely profitable condition exists. If, however, you started out with your truck fully paid for, such a level of returns would not leave anything for replacing your truck or for interest on the money which you invested. In time, your business would come to grief and your awareness of the unprofitable condition would then be too late.

This situation might be avoided in many instances, if you purchased your equipment on time or rented it from a truck rental company. The necessity for making regular capital or rental payments in order to avoid loss of possession of your truck would be a strong inducement to figuring all elements of cost at the beginning. This should not be considered an argument for buying equipment on time or for renting, but one in favor of advance calculation or estimation of the various expenses of your business and for taking them into consideration in determining what rates to charge.

Some common sense rules in setting your rates.—Many of those who are seeking to enter the trucking business for the first time have either had no experience in trucking or have gained experience in operating trucks or handling freight in one of the branches of the armed services. There, the problem was physical operations and maintenance, rather than pricing of trucking services. A commercial trucking business cannot be operated profitably, however, without giving careful attention to the problem of rates.

If you are not experienced or skilled in rate matters, it might be wise to apply the following simple rules for determining what rates should be charged:

1. Make a thorough study in your community or region of trucking operations that are similar to the one you plan to inaugurate. Select typical lines that are now offering the types of service you expect to render and are now operating about the same types and numbers of trucks which you have in mind. If you cannot find any existing truckers in your territory that offer precisely the services you seek to render, select firms as nearly similar as possible, and note the differences in their services and your own.

2. Obtain from such comparable trucking operators, from their customers, or from their published tariffs, the particular rates they charge for the service you expect to perform with your truck. These rates, with any adjustments necessary because of differences in the services, might be considered as standards which you should reject only when you have specific evidence that higher or lower rates would be justified.

3. Calculate as nearly as possible the direct operating costs of using your equipment to render the contemplated services. Such costs will in all cases include gasoline and oil expenses, tire costs, and driver's and helper's wages. If you drive the truck yourself, you will have to figure in your own reasonable wage requirements. If you find it essential to quote lower than going competitive rates, the rates you quote initially should not in any instance bring you less revenues than the total of these cost for the trip or period of time directly required to render the services. Your initial rates should usually be considerably higher than these minimum levels, for you seek to enter the trucking business to make a profit and to enjoy sufficient returns to build a permanent business.

4. Check the rates you propose with the shippers you hope to serve in order to obtain their reactions. In times when traffic is light, they may expect you to reduce existing rates a little to repay them for taking a chance on your service. If you can convince them that you can render an improved service, one more suited to their needs, or a more dependable service, they probably will not press for lower rates until you have developed your operations sufficiently to learn your costs and profits. If your service is to be like existing services, you will probably have to offer some rate inducements to attract traffic from other carriers or to develop new traffic. Whether you can afford to do so depends upon how efficiently you can conduct your proposed operation as compared with existing operations. Where existing service is inadequate, shippers will generally be glad to pay you the going rates for the same service.

Application of these common sense rules at the beginning will have the advantage of enabling you to acquire experience without too much risk. Subsequently, you can devise rates that are better suited to the needs of the traffic and your customers, and that more closely reflect the efficiency of your own operations.

Cutting rates to get the business.—Most trucking businesses that you might enter are highly competitive. As a result, a principal consideration in making your rates will be what is required to meet your competition. If, however, you enter one of the regulated trucking services, you may find that the regulatory body under whose supervision you are operating has prescribed minimum rates below which you cannot go, except with the risk of penalty. There are dangers in rate cutting. Thus, it will be desirable for you to make a check of the regulatory situation in your State before engaging in such activity. No such problem exists in the case of unregulated trucking operations, of course, except for Office of Price Administration maximum price regulation for contract carriers.

You cannot expect the rates for each class of freight carried to pay no more or less than its proportionate share of the operating expenses in all cases. Such a rigid practice of observing costs in quoting rates would impose the heaviest burden upon the goods unable to bear freight charges. Moreover, it might discourage some traffic which you need to fill your truck. On return hauls when your truck would otherwise not be fully loaded, you can afford to accept a rate which is below your full cost but is above your out-of-pocket expenses. Thus, while cost of service is important, other factors exist which should be taken in consideration in assessing rates on different commodities or hauls of different lengths.

Among the factors which should be considered in setting rates for different commodities and services are:

1. The density (weight per cubic foot) of the commodity. The lighter commodities should yield higher rates because less weight can be loaded on the truck.

2. The value of the service to the shipper.

3. The value of the commodity. Ordinarily, the higher value commodities can stand higher rates.

4. The regularity of the traffic (whether the shipper gives you a load every day or not).

5. The size of shipments. If the average load is five tons the rate per ton will be lower than if the load is 50 pounds.

6. The distance to be hauled. The ton-mile rate will be lower if the haul is longer.

7. Risk to the commodity in transit. A fragile item should yield a higher rate than a nonfragile one.

8. Need for special handling equipment.

Constructing Your Tariff

A tariff is a publication or a schedule containing your rates. The construction of tariffs for rates to shippers, or for filing with regulatory bodies if that is necessary in your State, may be an imposing problem if you are starting operations on a small scale without previous rate and tariff expe-



Courtesy American Trucking Associations, Inc.

This trucking company is advantageously located on a main highway in the outskirts of a city.

rience. Not only does tariff construction require a very specialized knowledge, but there are various types of rates, each suitable for a given set of conditions.

If you are planning to start a highly specialized trucking operation or to operate on a contract basis, tariff construction will be less difficult. In such cases, you may need only one type of rate, and your rate schedule can be simple. Nevertheless, it will probably be wise for you to consult the traffic managers you may know, a tariff consultant, a tariff publishing agent, truckers friendly to your operation or representatives of State regulatory bodies.

A number of different types of rates may be applicable to your services. Large common carrier truckers of general commodities over regular routes generally quote a full line of class, commodity, and exception rates, and in addition, they may file specialized tariffs, with State and Federal regulatory bodies.

Class rates.—Class rates are rates, usually varying with distance, that are the same for whole groups of commodities having like transportation characteristics. By classifying all commodities into a limited number of classes, it is possible to provide rates for each class for all possible movements. The rates for first-class traffic are published in tariffs for various distances or between key points, and those for the other classes are found by multiplying first-class rates by specified percentage rates. If a first-class charge between two points is \$0.40 for 100 pounds, and the second-class rate is 85 percent of the first-class rate, the second-class charge would be \$0.34 (85 percent of \$0.40).

For common carrier traffic the class rates are the standard rates for all commodities in each class, but they do not move a large proportion of total rail or truck traffic. They are, nevertheless, important because they are the applicable rates for any movement which has not been accorded special rate

consideration. They are necessary to the common carrier trucker who, is willing and is authorized to haul all types of things.

Commodity rates.—Common carriers limiting their services to one type of commodity, such as new furniture, or to limited types of commodities, such as livestock and farm supplies, need not bother about constructing or filing rates covering all commodities. Specific commodity rates, quoted on very simple rate sheets or schedules, if the trucking service is unregulated, will suffice in such cases. The rates of contract carriers are, of course, described in the individual and special contracts entered into with shippers.

Commodity rates are applicable to particular commodities and are usually quoted on a point-to-point basis. For example, the commodity rate for trucking canned goods, minimum 20,000 pounds, from Los Angeles, Calif., to Phoenix, Ariz., in 1941 was \$0.40 per 100 pounds. Such rates are departures from class rates in recognition of special conditions, such as competition, volume of movement, and value of the commodity.

Exception rates.—The third type of rates mentioned, exception rates, are related to class rates, but are different percentages of first-class rates than any of the regular classes. Exception rates are usually lower than the class rates for which they substitute. These lower rates are established in order to secure hard-to-get traffic.

Filing Your Rates and Tariff With State Authorities

The study which you should make of existing services, comparable to the one you are planning to render, should inform you of the type of rates and tariffs that will be required. In addition, particularly if you must file tariffs with regulatory bodies, it may be the best procedure to consult a tariff consultant serving small carriers. Every city of any size usually has one or more tariff consultants who are skilled in rates and tariffs and who have detailed knowledge of regulatory requirements.

Most State commissions require regulated truckers operating as common carriers to file their rates with them and to post their tariffs for public inspection. These regulatory bodies also generally require contract truckers to file copies of their individual contracts or schedules of their minimum rates with shippers. Such tariffs and schedules ordinarily must be filed before operating authority will be granted. After initial rates are filed, any changes in common carrier rates must be filed 30 days before they may become effective, except when special considerations justify action by the regulatory body to permit rates to become effective upon less notice. Some States have similar posting requirements for contract carriers. All States that regulate motor carriers specify their tariff filing requirements in tariff circulars or other rules and regulations. Rates filed by common carriers must be reasonable and avoid undue discrimination to be lawful. The standards of reasonable and nondiscriminatory rates are too complex to discuss here, but they can be found in the State motor carrier laws and in

rate decisions of State regulatory bodies. The advice of a competent tariff counsel or rate specialist may be essential to an adequate understanding of such regulatory requirements.

To ascertain the tariff filing and public notice requirements in the States in which you expect to operate, you should write to the railroad or public service commissions of each of those States. These agencies will send copies of motor carrier laws, rules and regulations to which regulated carriers must conform, and tariff circulars, specifying the form and filing requirements of tariffs. Some State regulatory bodies will send sample tariffs, and at least one has taken over the function of publishing tariffs for motor carriers for a fee in recognition of the difficulties confronted by small carriers in constructing and publishing their tariffs.

Filing Your Rates and Tariff With the I. C. C.

The statutory requirements affecting rates for common and contract trucking operations in interstate commerce are in the Interstate Commerce Act, which is available for reference at public libraries. Copies may be purchased for 60 cents from the Superintendent of Documents, Washington 25, D. C.

In general, the Federal requirements with respect to public notice of rate changes and reasonableness are similar to those in the States. Study of Sections 216, 217, and 218 of Part II of the Interstate Commerce Act is advisable, if you plan operation between two or more States. The Commission requires that all common carrier tariffs for regulated trucking services shall conform to its detailed tariff specifications set forth in Tariff Circular MF No. 3, "Regulations to Govern the Construction, Filing, and Posting of Common Carrier Freight Tariffs and Classification Publications." Its tariff regulations for contract carriers are in Supplement No. 3 to Tariff Circular MF No. 2. The latter may be obtained upon request from the Interstate Commerce Commission and the former can be purchased from the Superintendent of Documents for 15 cents.

As in the case of operating authority mentioned in an earlier chapter, advice on tariff and other regulatory requirements should be sought from the District Director of the Interstate Commerce Commission located nearest you. Because of the complexity of the rate standards in the Interstate Commerce Act and of the Commission's tariff requirements, it would be profitable to visit the field office of the District Director. There copies of the law and the tariff rules and regulations may be inspected. Moreover, each such office maintains a file of motor carrier tariffs which are open to public inspection.

Watch Your Costs

Whether you operate one or many trucks, it is important that you take the trouble to understand the general principles of calculating your costs of operation. It is the failure to consider all elements of costs and to watch

the relation between costs and rates that has forced many truck operators to the wall. Even those who are operating on a large scale cannot afford to relax their watchfulness respecting costs. Many of those who start with new equipment do not feel the full effect of their actual costs until new tires are required and repairs are needed, or until the truck wears out. Such expenses and the cost of replacement of your truck must be anticipated if financial hardships are to be avoided.

How to Calculate Costs

In the foregoing section of this chapter, the importance of the rate problem has been emphasized and attention has been directed to the different types of rates, tariff requirements, and factors to be considered in determining rates. It was pointed out that the cost of operating the trucking business, as a whole, including a reasonable profit, as well as the cost of rendering particular services, must always be considered in making rates.

There are several different methods of calculating trucking costs, but some of these are too complicated for you if you only use one or two trucks. Because of this difficulty, some prewar vehicle-mile and ton-mile costs for trucks of different sizes and for hauls of different lengths are supplied to give you a general guide. These can be used in calculating rates, however, only after adjustments for the higher cost levels now prevailing and for the special conditions surrounding your particular operation have been made.

Variations in cost based on size of vehicle and length of haul.—The table below shows the variations in costs per ton-mile and per vehicle-mile in 1940 for trucks of different sizes and types and for distances varying from less than 100 miles to over 300 miles. The cost of operating per ton-mile is the cost of carrying 1 ton of freight 1 mile. If you carry 3 tons, and your vehicle cost per mile is \$0.30, then your ton-mile cost is \$0.10 (\$0.30 divided by 3 tons.) If your truck carries one-half ton, and your vehicle-mile cost is \$0.10, then your ton-mile cost is \$0.20 (\$0.10 times 2 half-tons).

Average Operating Cost Per Truck of For-Hire Motor Carriers Engaged in Transportation of General Commodities for Month of October 1940

Gross weight of truck	Under 100 miles		100 to 199 miles		200 to 299 miles		300 miles and over	
	Per ton-mile	Per vehicle-mile	Per ton-mile	Per vehicle-mile	Per ton-mile	Per vehicle-mile	Per ton-mile	Per vehicle-mile
	<i>Cents</i>	<i>Cents</i>	<i>Cents</i>	<i>Cents</i>	<i>Cents</i>	<i>Cents</i>	<i>Cents</i>	<i>Cents</i>
Less than 15,000 pounds:								
Single unit trucks.....	9.6	13.3	4.1	8.0	3.5	9.7	2.8	8.9
Tractor semitrailer.....	6.5	12.1	5.4	8.7	6.9	10.5		
Other combinations.....								
15,000 to 19,999 pounds:								
Single unit trucks.....	5.5	18.0	3.9	12.1	2.4	9.0	1.8	8.4
Tractor semitrailer.....	4.7	14.0	3.5	10.0	2.7	8.8	2.3	8.7
Other combinations.....	3.3	14.3						

Average Operating Cost Per Truck of For-Hire Motor Carriers Engaged in Transportation of General Commodities for Month of October 1940—(Con.)

Gross weight of truck	Under 100 miles		100 to 199 miles		200 to 299 miles		300 miles and over	
	Per ton-mile	Per vehicle-mile	Per ton-mile	Per vehicle-mile	Per ton-mile	Per vehicle-mile	Per ton-mile	Per vehicle-mile
	<i>Cents</i>	<i>Cents</i>	<i>Cents</i>	<i>Cents</i>	<i>Cents</i>	<i>Cents</i>	<i>Cents</i>	<i>Cents</i>
20,000 to 24,999 pounds:								
Single unit trucks.....	4.8	25.1	5.4	19.1	2.4	12.0	1.5	9.9
Tractor semitrailer.....	3.4	16.4	2.1	9.4	2.0	9.3	1.8	9.0
Other combinations.....	4.4	14.2						
25,000 to 29,999 pounds:								
Single unit trucks.....	1.9	14.1	2.4	12.7				
Tractor semitrailer.....	2.5	16.0	1.7	10.8	1.6	10.5	1.4	9.8
Other combinations.....			1.7	8.7	1.4	11.3		
30,000 to 34,999 pounds:								
Single unit trucks.....					1.6	9.5		
Tractor semitrailer.....	2.4	18.8	1.8	13.2	1.4	11.8	1.3	10.9
Other combinations.....			4.2	20.6	1.7	11.8	3.6	13.7
35,000 to 39,999 pounds:								
Single unit trucks.....			2.4	25.3				
Tractor semitrailer.....	1.7	16.6	2.0	17.6	1.6	15.5	1.3	11.3
Other combinations.....			1.5	13.6			2.4	13.9
40,000 to 44,999 pounds:								
Single unit trucks.....								
Tractor semitrailer.....	2.1	25.8	1.5	14.6	1.7	16.7	1.7	15.6
Other combinations.....			1.5	11.0	2.3	15.8	1.5	12.4
45,000 to 49,999 pounds:								
Single unit trucks.....								
Tractor semitrailer.....	2.9	39.1						
Other combinations.....	2.4	23.5	1.8	16.0	1.5	15.4	1.6	14.7
50,000 to 54,999 pounds:								
Single unit trucks.....								
Tractor semitrailer.....	2.9	42.2			1.3	19.7	0.9	12.9
Other combinations.....			1.7	16.1	1.2	15.5	1.4	16.4
55,000 to 59,999 pounds:								
Single unit trucks.....								
Tractor semitrailer.....							1.0	15.7
Other combinations.....			1.5	20.3			1.0	13.7
60,000 pounds and over:								
Single unit trucks.....								
Tractor semitrailer.....								
Other combinations.....			1.2	20.1			0.9	16.3
Total all sizes:								
Single unit trucks.....	8.3	15.0	4.0	10.5	2.4	9.9	1.9	9.2
Tractor semitrailer.....	3.8	15.7	2.2	11.2	1.8	11.0	1.5	10.6
Other combinations.....	3.4	17.3	1.9	15.9	1.9	15.0	1.6	14.8

Source: Adapted from table D-3 of the Interstate Commerce Commission study on *Federal Regulations of the Sizes and Weight of Motor Vehicles*, House Doc. No. 354, 77 Cong., 1st sess., pp. 569-583.

This table shows that while the cost per vehicle-mile increases, the cost per ton-mile decreases for the larger truck. It also shows that the cost is lower where the distance is greater since more time is spent in operating and less in loading and unloading. The costs which a vehicle operator incurs today are substantially higher than in 1940.

The following table shows the average cost per year and per vehicle-mile of operators of different size fleets. Some of the reasons for the higher

vehicle-mile costs of the operators of large fleets are that many of them use larger trucks and often maintain a warehouse. They also often transfer from a local vehicle to a long-distance one.

*Number of Trucks Operated and Operating Cost Per Year and Per Vehicle-Mile 1941*¹

Number of trucks per carrier	Number of trucks	Annual cost per truck	Cost per vehicle mile
INTERCITY SERVICE			
1-----	4,494	\$3,937.64	\$0.126
2-----	6,218	3,741.00	.138
3-----	5,967	3,824.66	.140
4-----	5,860	4,168.15	.157
5-----	5,950	4,845.54	.175
6 to 10-----	18,351	5,143.86	.173
11 to 15-----	9,286	5,724.93	.201
Over 15-----	14,644	5,268.38	.203
Average-----		4,828.91	.173
LOCAL SERVICE			
1-----	1,291	\$2,829.66	\$0.237
2-----	1,920	3,083.75	.286
3-----	2,028	3,313.82	.285
4-----	2,052	3,301.12	.299
5-----	2,000	3,572.76	.311
6 to 10-----	6,422	3,787.28	.308
11 to 15-----	2,918	4,254.14	.361
Over 15-----	7,445	3,704.18	.292
Average-----		3,625.05	.302

¹ These data represent all regions of the United States and relate to classes II and III carriers.

Source: The data used in preparing this table are in *Statistics of Class II and Class III Motor Carriers of Property 1940 and 1941*, The Interstate Commerce Commission; p. 9.

This table shows that the cost per vehicle-mile in intercity service varied from \$0.13 to \$0.20, with an average for all operators of \$0.17. In local service, on the other hand, the cost per vehicle-mile varied from \$0.24 to \$0.36 with an average of \$0.30. The truck moves slower and there are much more frequent loadings and unloadings.

The annual cost per truck given in this table may be divided by the number of working days to obtain a rough indication of the cost per day of operating these vehicles in 1941.

The costs include labor, fuel, oil, grease, taxes, depreciation, and withdrawals by the owner or owners for labor service, living expenses or for any other purpose.

These figures should not be used to indicate what your truck-mile costs today may be, but they do provide another indication of what average costs were under prewar circumstances. When you have given consideration to the cost increases which have since taken place, you can make use of these truck-mile costs as a rough approximation of what your actual costs may be; but as soon as you have gained some operating experience you should calculate your own truck-mile costs from your accounts and traffic records.

Elements of costs to be considered.—The costs which you should consider and their relative importance are suggested in the table below:

Major Cost Items of Class I (Largest) Common Carriers of General Commodities

Item	Per mile cost			
	1940	1941	1942	1943
	<i>Cents</i>	<i>Cents</i>	<i>Cents</i>	<i>Cents</i>
Equipment, maintenance and garage expenses-----	3.28	3.64	4.32	6.25
Repairs to equipment-----	1.76	1.92	2.46	3.65
Servicing of equipment (checking, etc.)-----	0.23	0.25	0.34	0.38
Tires and tubes-----	1.02	1.19	1.19	1.76
Transportation expenses-----	7.55	5.68	8.48	9.08
Drivers and helpers wages and bonuses-----	4.57	4.63	5.25	5.79
Fuel for revenue equipment-----	1.70	1.75	1.97	2.09
Terminal expenses (station expenses)-----	5.08	7.06	7.55	8.69
Sales, tariffs, and advertising expenses-----	1.05	1.17	1.11	1.10
Insurance and safety expenses-----	1.38	1.48	1.67	2.07
Administration and general expenses-----	2.57	2.98	3.23	3.68
Total "Operation and Maintenance Expenses"-----	20.24	23.47	25.42	30.20
Total—all expenses (including depreciation and operating taxes and rents)-----	24.37	27.82	30.35	35.36

Source: A review of Highway Transport and Transit Industries During the War, Office of Defense Transportation, Highway Transport Department, p. 59.

This table represents the experience of Class I (large) motor carrier during the war when costs were rising. As an operator of only one or two vehicles you may collect the drivers' wage and general administrative salary for yourself and you may often have no terminal expense to consider because your operation is a simple one. Moreover, your equipment may be smaller than that used by the larger operators during the war. Thus, these figures should be considered as throwing light upon the items of cost you should consider rather than as indicating your cost levels.



In determining freight rates it is necessary to know your operating costs.

How you can calculate costs for particular hauls.—In making rates you will want to know as accurately as possible how much it costs you to render each particular service. Since you will usually quote rates in cents per 100 pounds you will obviously desire to know how much it costs to transport that weight of each commodity for varying distances and under varying loads carried.

If it is assumed that all expenses connected with your truck operations depend on how far you go, the cost per ton or per 100 pounds for a given length of haul may be calculated as shown below:

Cost Per One-Way Trip Per 100 Pounds

Tons per trip			Avg. cwt. per trip (col. (3) × 20)	Cost per trip (one-way) at 20 cents per mile			Cost per 100 pounds (one-way)		
East-bound	West-bound	Avg. (both directions)		50 miles	100 miles	200 miles	50 miles (col. (5) ÷ col. (4))	100 miles (col. (6) ÷ col. (4))	200 miles (col. (7) ÷ col. (4))
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
10	---	5	100	\$10	\$20	\$40	\$0.10	\$0.20	\$0.40
10	5	7.5	150	10	20	40	.07	.13	.27
10	10	10	200	10	20	40	.05	.10	.20

In actual practice some expenses, such as wages, under certain conditions, may best be calculated on an hourly basis, and some costs, such as motor fuel and tires, on a mileage basis. Because of the short mileages per truck, per day in local operations as compared with operations between cities where stops are not so frequent and congestion is not so important, it is particularly important to figure some or all elements of expense on an hourly basis in the case of local hauling. For illustration, if it is assumed that the mileage expenses are \$0.16 per truck mile, and the hourly expenses amount to \$1 per hour, the one-way mileage expenses in columns (5) to (10) in the above table, are expressed in the following table:

Cost Figured at \$0.16 Per Mile

Hundredweight per trip	Cost per trip (one-way) at \$.16 per mile			Mileage cost per 100 pounds (one-way)		
	50 miles	100 miles	200 miles	50 miles	100 miles	200 miles
(1)	(2)	(3)	(4)	(5)	(6)	(7)
100	\$8	\$16	\$32	\$0.08	\$0.16	\$0.32
150	8	16	32	.05	.11	.21
200	8	16	32	.04	.08	.16

Cost Figured at \$1 Per Hour

Hundred-weight per trip	Hours per one-way trip			Hourly cost per trip (one-way)			Hourly cost per 100 pounds (one-way)		
	50 miles	100 miles	200 miles	50 miles	100 miles	200 miles	50 miles	100 miles	200 miles
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
100-----	4	6	8	\$4	\$6	\$8	\$0.04	\$0.06	\$0.08
150-----	4	6	8	4	6	8	.03	.04	.05
200-----	4	6	8	4	6	8	.02	.03	.04

Total Mileage and Hourly Costs

Hundred-weight per trip	Mileage cost per 100 pounds			Hourly cost per 100 pounds			Total cost per 100 pounds		
	50 miles	100 miles	200 miles	50 miles	100 miles	200 miles	50 miles (½%)	100 miles (¾%)	200 miles (¾%)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
100-----	\$0.08	\$0.16	\$0.32	\$0.04	\$0.06	\$0.08	\$0.12	\$0.22	\$0.40
150-----	.05	.11	.21	.03	.04	.05	.08	.15	.26
200-----	.04	.08	.16	.02	.03	.04	.06	.11	.20

Thus, the cost of both intercity and local operations may be shown in terms of costs per 100 pounds. If you should so desire, however, it may be even simpler for you to calculate the cost of your local operations, such as on dump trucks or pick-up and delivery trucks entirely on a daily or hourly basis.

CHAPTER VII

RECORDS AND MANAGEMENT

Every person engaged in any type of business should keep detailed and accurate records of all his transactions. This holds true for a truck operator even if he operates but one or two vehicles. Such records should be kept for his own information and guidance even if no Government regulatory agency has requested the data. A businessman should know his own business in more detail than is required by any regulatory body. The only way a detailed knowledge can be obtained is by keeping continuous records of all activities. These records should show (1) the cost of each item of merchandise bought, service contracted for and payments made or due, (2) receipts for each trucking service rendered and what is owed you, (3) whether you have a profit or a loss on your business during each month or any other fiscal period, (4) details on which your income tax report is based, and (5) all property you own, including your truck, garage, office equipment and any other supplies or equipment.

The records listed above should include the cost of each vehicle owned or the amount paid for leasing them; the cost of tires and a detailed record of size or sizes, mileage in service and whether they were recapped; the quantity of gasoline, oil and grease purchased, the price of each and amount of gas, oil and grease tax paid; the cost of carrying any particular load or part of a load, including the mileage operated and the amount charged for the service, together with any other costs of equipment or supplies, including maintenance charge. Information should be recorded for all service rendered, including the kind and quantities of merchandise carried on any load, the distance carried, the charge for carrying the load that distance.

These items are merely intended to suggest types of data which should be included in the record. All records should be in sufficient detail to show every item of information needed to trace any shipment. Some shipper may submit a claim for compensation for a loss of which the carrier is not responsible. In order to prove his case the carrier must fall back on such record of the matter as he may have kept, and if his record is inadequate he may have to pay the claim.

The suggestions here with respect to records are general and are intended to relate to all kinds of trucking. For the records needed in any specific type of business it is suggested that you consult a friendly trucker already in the business, a certified public accountant, the manager of the State or

local association of truckers, or perhaps a teacher of accounting in a school or college. Any of these sources should be able to furnish you, at small cost, with very valuable information respecting the necessary records for your particular type of trucking operation.

The types of records suggested should be maintained even if you are engaged in activities on which no reports to any regulatory agency are required. Some cities require no reports to any public utility or public service commission, but the State regulatory body may require reports on all intrastate and interstate operations. These reports must include data on all revenues collected, expenses incurred, volume of goods transported and quantity of equipment owned. These requirements vary from one State regulatory agency to another, but perhaps the accounting forms recommended by the Interstate Commerce Commission for Class II and Class III carriers will indicate sufficiently the types of data and records which are called for by State regulatory commissions.

System of Accounts Proposed by the I. C. C.

As classified by the Interstate Commerce Commission, Class III common and contract carriers are truckers engaged in interstate and foreign commerce having an annual gross revenue of less than \$25,000 and subject to the provisions of the Motor Carrier Act of 1935. These carriers are not required to report to the Commission on these forms, but the Commission has recommended the use of these forms for the carriers' own benefit. The principal forms contained in these recommendations are shown below:

INCOME STATEMENT

Operating Revenues:

Freight revenue.....	\$ _____	
Other operating revenue.....	_____	
Total operating revenue.....		\$ _____

Operating Expenses:

Repairs and servicing equipment.....		
Drivers' and helpers' wages.....		
Gasoline, other fuel and lubricating oil.....		
Other transportation expenses.....		
Terminal expenses.....		
Traffic and advertising.....		
Insurance and safety.....		
Office salaries and expenses.....		
Depreciation.....		
Taxes and licenses.....		
Rent of property—net.....		
Total operating expenses.....		_____
Net operating income.....		_____

The detailed data which are to be summarized in the income statement should be gathered on the form outlined below.

Manifest—Property Carrier

Between _____ and _____ (route)

Date _____ 19 ____

Report No. _____

Truck or tractor number	Trailer or semitrailer number	Left		Arrived		Hours (elapsed time)	Miles	Driver
		Date	Time	Date	Time			

Record of Property Carried

Freight bill number	From	To	Weight	Carrier's tariff or contract charges	Collection of charges	
					Amount	Date
Total_____	xxx	xxx				

NOTE

1. This form may be used as a report of each trip or it may be used as driver's daily report.
2. Carriers which perform C.O.D. service shall keep records of amounts collected and date of payment to shippers; also C.O.D. fees.
3. Carriers which have interchange arrangements with connecting lines shall keep records of collections from and payments to connecting lines.

On the back of the above report, it is recommended that the data on page 47 be entered showing expenses incurred by drivers while on the road.

Road Expenses Paid by Drivers

[Receipts attached]

Gasoline or other fuel			Oil			Other expenses	
Gallons	Amount		Quarts	Amount			
	Taxes	Gas cost		Taxes	Oil cost		
Total..							

STATISTICS

- A. Revenue freight carried during the year (pounds) _____
- B. Number of miles trucks and tractors were operated during the year in for-hire service _____
- C. Number of hours trucks and tractors were operated during the year in for-hire service _____
- D. Gallons of gasoline or other fuel used during the year _____
- E. Revenue equipment owned at close of year _____

REVENUE EQUIPMENT FORM

Revenue equipment owned at close of year ending _____

Make, year, and model number	Kind truck, tractor, or trailer	Type (panel, stake, etc.)	Manufacturer's rated capacity (tons)	Date purchased		Purchased new or second hand	Cost to you	Estimated value at beginning of this year	Estimated value at close of this year	Depreciation (loss in service value)	Amount owing on equipment at close of this year
				Month	Year						
Total..											

The Interstate Commerce Commission has also recommended a similar form on which to record the revenue equipment sold, traded, abandoned or otherwise permanently disposed of during the year with identical column headings.

The form recommended by the Commission from which the statistics on earnings may be summarized appears below. Such a record need not be submitted to the Commission.

Record of Earnings and Statistics—Property Carrier

Month of _____, 19____

Source (manifest, etc.)		Freight carried		Other operating revenue		Hours operated	Miles operated	Gallons of gasoline or other fuel used
Date	Report No.	Weight	Carriers revenue at tariff or con- tract rates	Descrip- tion	Amount			
Total								

System of Accounts Proposed by I. C. C. for Larger Truckers

Class II common and contract truckers, as classified by the Interstate Commerce Commission, are those operating in interstate or foreign commerce having an annual gross revenue of from \$25,000 to \$100,000, and subject to the provisions of the Motor Carrier Act of 1935. Since only motor carriers in Class I (the largest truckers) which are subject to the provisions of the Motor Carrier Act are required to report their operations in detail to the Interstate Commerce Commission, the statistical forms contained in the statement issued to Class II carriers are only suggestions.

The statement issued by the Interstate Commerce Commission to carriers in Class II suggests the use of all the accounts suggested for the Class III carriers, with some additions. The principal addition is a balance sheet, of which a sample is included on pages 50 and 51.

Form of balance sheet statement

Asset side

Current assets:

Cash and working funds.....		\$ _____
Special deposits.....		_____
Notes receivable.....	\$ _____	_____
Accounts receivable.....		_____
Less reserve for uncollectible accounts.....		_____
Materials and supplies.....		_____
Other current assets.....		_____
Total current assets.....		_____

Property and investments:

Carrier operating property.....		
Less reserve for depreciation and amortization.....		_____
Carrier operating property leased to others.....		_____
Less reserve for depreciation and amortization.....		_____
Noncarrier property.....		_____
Less reserve for depreciation and amortization.....		_____
Organization, franchises and permits.....		_____
Less reserve for amortization.....		_____
Other intangible property.....		_____
Less reserve for amortization.....		_____
Investment advances and special funds.....		_____
a. Pledged.....		x x x x x
b. Unpledged.....		x x x x x

Deferred and miscellaneous debits:

Prepayments.....		
Deferred and miscellaneous debits.....		_____
Total deferred and miscellaneous debits.....		_____
Total assets.....		_____

Form of balance sheet statement

Liability side

Current liabilities:

Notes payable.....		\$ _____
Matured equipment and long-term obligations.....		_____
Accounts payable.....		_____
C. O. D.'s unremitted.....		_____
Other current and accrued liabilities.....		_____
Total current liabilities.....		_____

Advances payable, equipment and other long-term obligations:

Advances payable.....		
Equipment obligations.....	\$ _____	_____
Less required and nominally issued.....		_____
a. Due within 1 year.....		x x x x x
b. Not due within 1 year.....		x x x x x

Other long-term obligations:

Less required and nominally issued.....	_____	_____
a. Due within 1 year.....	_____	x x x x x
b. Not due within 1 year.....	_____	x x x x x
Total advances payable, equipment and other long-term obligations.....	_____	_____

Deferred credits and reserves:

Deferred credits.....	_____	_____
Other reserves.....	_____	_____
Total deferred credits and reserves.....	_____	_____

Capital stock and surplus:

Capital stock.....	_____	_____
Less reacquired and nominally issued.....	_____	_____
Premiums and assessments on capital stock.....	_____	_____
Capital stock subscribed.....	_____	_____
Sale proprietorship capital.....	_____	_____
Par partnership capital.....	_____	_____
Total noncorporate capital.....	_____	_____
Unearned surplus.....	_____	_____
Total capital stock and surplus.....	_____	_____
Total liabilities.....	_____	_____

If you propose to undertake operations in interstate or foreign commerce, it is suggested that you request the Interstate Commerce Commission to send you a copy of its recommendations for keeping accounts. In your request you should indicate the volume of business which you expect to handle. In that way you will receive a recommendation for an accounting record which most nearly fits your size of business.



Courtesy American Trucking Associations, Inc.

In this file room of one of the larger truck operators, copies of all freight bills are carefully preserved.

General Management of Your Company

This section and the chapter following it on truck operation represent two sides of the same problem. This discussion deals with the administrative and office work of the trucking business, and in the next chapter the actual operation of the trucks is considered. If you operate only one or two vehicles, you may do much of the work yourself. If you operate a fleet of trucks, however, you will have to employ some assistance either in the office or on the trucks.

It should be pointed out that different trucking concerns may have different methods of handling their office work and operations. Organization must be fitted to the job to be done.

YOUR JOB AS ADMINISTRATOR

In trucking as well as in any other business it is necessary that someone assume responsibility for making decisions regarding business policies and problems. You, as the head of the company, are the person who makes those decisions. You must decide what particular type of trucking business shall be undertaken, the type of equipment which you are going to use, what records shall be kept, what sales policy shall be adopted and you must make any other decisions that will be necessary in the conduct of the business. Without such decisions the business cannot function. The success of the business will depend upon the soundness of the decisions made.

PURCHASING

Purchasing will be one of your most important jobs. The person in charge of purchases should be responsible for the acquisition of all supplies. In a larger company there may be a purchasing department, but in a small concern these and other duties fall upon you.

As director of purchasing you must determine what stationery shall be used, what forms shall be ordered for reporting requests for trucking service and for reporting what service has been performed, as well as the type and size of truck equipment to acquire. This decision on your equipment is important for the reasons emphasized in the chapter on selecting your truck. It is desirable for you to carry a small supply of replacement parts, especially those you can install without taking your truck to a repair shop. If you are operating on a larger scale, you may find it desirable to employ your own repair man. In any case, a small supply of well selected parts will become very useful on various occasions. Any dealer will be glad to advise you on the kinds and amounts of parts to keep in store.

You must also acquire a supply of tires sufficiently large so that you can have a chance for proper matching of tires on your dual wheels when you change tires. Unless you can match tires properly, too much of the load will fall on one tire. If you lack replacement tires, your truck may miss a trip.

During the war it was often very difficult or, in certain trucking services, impossible to purchase replacement tires because of the close rationing and

the limited production for civilian use. Now, however, when tires can be purchased with relative ease, there is no excuse for failure to keep a sufficient supply of tires on hand.

If you have a storage tank for gasoline on the premises, you must see that a sufficient supply is on hand to meet current needs. The same is true of lubricating oil and greases.

GETTING THE BUSINESS

If you are going to operate a trucking business you will have to sell your service. If you fail to do the selling job well your business has no future.

The selling of transportation service differs little from other types of selling. The first requirement is that you have a thorough knowledge of what you have to sell so that you can present its strong points. This is particularly important in such a highly competitive market as truck transportation. Even though you may be tempted to do so, you should avoid promising service that you cannot deliver. If you operate a one- or two-truck service you will obviously have your capacity firmly in mind when negotiating for new business.

You must also study the business of your customer so as to point out in what respects the transportation service which you are selling will meet his requirements more fully and perhaps at a lower cost than the service of a competitor. In order to do this you must be thoroughly acquainted with the operations of your customer and be able to discuss rates and costs in an intelligent manner. The more you know and understand the problems and transportation needs of your prospective customer, the more effectively you can present your claim for all or a part of the trucking to be done.

You must be able to meet people well and to make a favorable impression. In a highly competitive field such as trucking it often happens that one trucker fails and another who has no better service to offer is able to make a favorable deal. It is necessary to make a careful study of the prospective customer before calling on him. Try to establish a point of contact with him. This can often be done by finding something in which the prospective customer and the salesman have a common interest outside the immediate business in hand, such as fishing, horse racing or collecting stamps. By using this common interest as an approach, much sales resistance may be removed and an opportunity provided to discuss the advantages of the service being sold.

You may be able to show the prospective customer the advantages of doing business with your concern.

It is highly important that the customer be satisfied with the service received, for that is the only condition under which he will continue to patronize you. After satisfactory relations have been established with one group of businessmen, efforts can be made to add other satisfied customers to his list. That is the way the trucking business grows from the one- or two-vehicle stage to a large concern.

CHAPTER VIII

OPERATING YOUR TRUCK

In practice the operation of a truck is relatively simple. It consists of making sure that the truck or trucks are supplied with gasoline, oil and grease, and that they are in running condition. In addition, it is necessary to keep the tires in good condition and to inflate them properly. It is especially important to take proper care of the trucks in order to prevent excessive repair bills. Drivers must be selected carefully and trained in safe, efficient and economical operation. The daily operations must be carefully planned and loading must be done with a view to safety and economy.

As the business grows, the problems connected with truck operations grow in number and complexity. Careful supervision must, nevertheless, be maintained, for any relaxation of standards may result in financial loss.

Managing Trips and Loads

Managing trips and loads consists of (1) keeping a record of all requests for trucking service received from shippers; (2) determining what items shall go on each truck load; (3) assigning each truck to the job it has to perform; (4) supervising the proper distribution of the load on the vehicle; and (5) maintaining records of all commodities collected or delivered by each truck.

LAYING OUT YOUR TRIPS

In the morning lay out your jobs for that day. If you are picking up and delivering in the city, it is desirable to divide the city into sections and assign one truck to each section. In that way more rapid and economical service can be performed than if your truck runs unsystematically all over the city. If, however, you have only one truck it must, of course, cover the whole city but it should follow the most economical route considering the location of all pick-ups and deliveries. The driver should telephone the office when all calls have been made or at other times as directed, to find out whether any new calls have come in which he can handle on the same trip.

Maintain a careful record of all articles collected by the truck or trucks and see that they are properly transported to the specific destination re-

quested. If it becomes necessary to trace any shipment, your records should always supply the information from which tracing can begin.

In intercity operations, one of the guiding principles is that articles destined for the same city should be loaded together and that in case several stops are to be made on the way, articles destined to the city farthest away should be loaded first, and articles intended for cities on the route should be loaded later so that those to be delivered first are loaded last. If this principle is kept in mind, loading and unloading can proceed in an orderly and economical manner.

WATCH YOUR LOADING PRACTICES

You must do the actual loading most carefully. The proper load distribution is important both from the point of view of efficiency of operation and also from the viewpoint of safety. It is very easy to calculate how to distribute the load. The center of the load should be the center of the truck body, provided, of course, that the load is of approximately the same density.

By distributing the load properly between the front and rear axles of a single unit truck, or between the tractor and semitrailer, the truck operator has increased safety of steering and braking; equalized the load on all the tires and therefore obtained a more uniform life on the tires, and secured greater safety of operation.

If too much of the load rests on the rear axle of a vehicle, the driving in hilly country will be difficult because the front wheels may be either lifted off the ground or the load on them will be so light that it will be difficult to steer or brake. The danger becomes even greater if the road surface is slippery, with frequent curves.

Unbalanced loading also means excessive wear of the tires and often leads to premature tire failure. This is particularly true in intercity trucking, but it is also the case, to a lesser extent, in local trucking. Hence, the load distribution on the tires should be carefully watched every time the truck is loaded.

If you operate one or two trucks you may have to perform the loading yourself with the assistance of one or more persons. While the duties of loaders may seem of relatively small importance, it is obvious that they are of great importance. You should train your loaders most carefully in exactly how to load the truck and see that your instructions are followed.

In the case of heavy hauling, such as industrial machinery, steel beams for construction work and other similar business, special equipment will be needed for loading and unloading.

Selecting and Training Drivers

If you operate one or two trucks, you will have to drive one truck and help with the loading and unloading operations. If the business grows so that you operate a fleet of trucks, you may find it desirable to devote more time

to the general management of the business. In that case, you will have to train the drivers and supervise their work.

The crew for a truck engaged in pick-up and delivery service usually consists of a driver and sometimes of a helper. These two can handle the truck operation in ordinary local hauling and in connection with pick-up and delivery work for airlines, railroads, and intercity trucking companies.

If you own a fleet of dump trucks, you will, as a rule, need only a driver for each truck. The same is true in the case of tank trucks, transporting milk from country dairies to a city milk plant, and those hauling petroleum products.

The owner of the trucking business must train drivers and helpers in the duties which they are to perform. Training is a part of the duties of management. Unless careful training is provided many unnecessary and wasteful practices may develop in the operation. The elimination of such waste will increase the income of the trucker and improve the earning power of the worker. Thus, both management and labor have a common interest in improved practices.



Courtesy Esso Marketers

Periodic lubrication is a vital factor in maintaining an efficiently operating fleet of trucks.

Garage, Maintenance and Repair

You will have to decide whether to provide a garage into which you can put your trucks at night and at other times when they are not in use, or whether you will leave them in the open. Whatever your decision on this point may be, you will have to provide a place to park the vehicles off the public streets. Many cities have a specific prohibition against parking trucks on public streets at night. There are many advantages of having a garage, such as protection against the weather and against tampering and theft.

The maintenance of the equipment is very important. It involves periodic checking on tires to see whether they are properly matched and carry the proper inflation. If any shifting is needed it should be done promptly.

A number of parts of the vehicle should be checked daily. Gasoline, oil and grease should be checked and any shortages supplied. Whenever any minor defect shows up in any part of the equipment, the best policy is to take care of it promptly. If you are able to handle minor repairs yourself, you should tend to all such things without delay. In fact, it is a good policy for you to make an effort to know as much regarding your truck as possible, even if you do not do your own repair work. If you have this knowledge you can better supervise your repair work and operate your truck.

Do not try to do repair work that you are not fully able to handle. This rule applies especially if you own only one or two trucks. The situation is different if the business has grown to a point where you are warranted in having your own repair man. In the latter case a good mechanic should be employed who knows your equipment and who is able to perform all such work in a satisfactory manner. By maintaining careful supervision over the equipment and making repairs promptly when needed, you may be able to save considerable money in the long run.

CHAPTER IX

SAFETY, INSURANCE, AND CLAIMS

The success or failure of your trucking business may depend on the accidents and claims you have.

Accidents resulting in the loss of life, personal injury and property damage are serious, both from the point of view of the person injured and the kind and amount of claims which may arise, as well as from the possible damage to your equipment. If the accidents are numerous and the financial losses due to claims and cost of repair are high, the result may be a net loss although the operating receipts exceed operating expenses. It is evident that from a strictly financial point of view, accidents are expensive to any trucking business and should be carefully guarded against.

Highway safety depends on three things: The driver, the road, and the vehicle. Each one plays an important part in your business.

Qualifications of Truck Drivers

In order to enjoy safety on the highway, the driver must be alert, physically and mentally sound, practise courtesy, observe all signs along the road regarding curves, steep hills and speed regulations, and at all times have full control of the vehicle. Most of the States give prospective drivers a test to determine whether they are fully acquainted with highway regulations in the State, and whether they recognize the significance of various traffic signs.

I. C. C. Driver Requirements

The Interstate Commerce Commission has issued specific regulations setting forth the qualifications of drivers of trucks which operate in interstate commerce. The Interstate Commerce Commission is authorized to set qualifications of carriers, establish maximum hours of service of employees and assure safe equipment and operation.

As a minimum requirement these regulations specify that "no motor carrier shall drive, require, or permit any person to drive, any motor vehicle operated in interstate or foreign commerce, unless the person so driving possesses the following minimum qualifications."

1. Mental and physical conditions:
 - a. No loss of foot, leg, hand, or arm.

b. No mental, nervous, organic, or functional disease likely to interfere with safe driving.

c. No loss of fingers, impairment of use of foot, leg, fingers, hand or arm, or other physical defects or limitations, likely to interfere with safe driving.

2. Eyesight—"Visual acuity (either without glasses or by corrections with glasses) of at least 20/40 (Snellen) in one eye and 20/100 (Snellen) in the other eye; from field of not less than 45° in all meridians from the point of fixation; ability to distinguish red, green, and yellow."

3. Hearing adequate.

4. Liquor, narcotics, and drugs—Shall not be addicted to the use of narcotics or habit-forming drugs, or excessive use of alcoholic beverages or liquors.

5. Driving experience—Experience in driving some type of motor vehicle (including private automobiles) for not less than 1 year, including experience throughout the four seasons.

6. Driving skill—Competency by reason of experience or training to operate safely the type of motor vehicle or motor vehicles which he drives.

7. Knowledge of regulations—Knowledge of rules and regulations issued by the Commission under the Motor Carrier Act 1935, pertaining to the driving of motor vehicles.

8. The driver shall not be less than 21 years of age and shall be able to read and speak the English language.

9. Since January 1, 1940 every driver has been required to take a physical examination and to file with the carrier a certificate of such an examination signed by a qualified physician.

10. The regulations state specifically that the foregoing rules shall not be construed to prevent the motor carrier from requiring physical examinations of the drivers in addition to those prescribed by the Commission.

Select Your Drivers Carefully

In view of the thoroughness and strictness of these regulations, you will find it desirable to exercise great care in the selecting and training of drivers. To be sure, the rules prescribed by the Interstate Commerce Commission are not applicable to local and intrastate truck operation. However, it is well for you to familiarize yourself with these rules so as to be able to comply with them in case you should in the future extend your operations into the interstate field. You will, therefore, find it desirable to adopt a plan for the selection and training of drivers. This selection is so important that you cannot afford to neglect it. If your training program can prevent most of the accidents, it may mean the difference between making a profit from the operation or losing money because of the high cost of claims. You must determine for yourself the type and extent of training program which you will need.

Drive with road hazards in mind.—Safety on the highway depends on (1) the type, width, and condition of the road; (2) grades, curves and sight distances; (3) railroad and highway intersections; and (4) bridges.

Road surface and your operation.—The asphalt surfaced roads constructed some years ago often become very slippery when wet. Recognizing the danger of such a condition, highway engineers in recent years have started to use a somewhat coarser surface material which reduces the danger of skidding. Thus, driving on the highway has generally become somewhat safer as far as the pavement is concerned.

The present state of repair of many roads in several States is below standard from the point of view of highway safety. This condition has resulted from shortage of labor and lack of material during the war. Steps are now underway to repair those roads so that they will comply more nearly with minimum standards. Ice and snow coverings on road surfaces always create serious additional hazards which are best overcome by lower driving speed and the use of chains or similar devices to improve traction. Fog and heavy rain bring added hazard because of reduced visibility. Speed reduction or complete stops off the pavement for the duration of the hazard are frequently advisable in such cases.

Watch the road shoulders.—If you should find it necessary to pull over to the side of the road to change a tire, be sure the shoulders are sufficiently wide and firm so that you will be able to do work without danger to yourself or without obstructing the roadway.

The hazard of other traffic.—Heavy traffic on a highway is another hazard which should not be overlooked. A careful driver will adjust his driving to traffic conditions. With the road heavily traveled, there is more danger that accidents may occur, and some drivers who are naturally nervous may under such circumstances do one or more things which expose both themselves and others to danger. It is especially important for you to stay strictly within your traffic lane, to observe proper distance between your vehicle and the one in front, to give clear signals of your intentions to turn or stop, and at all times to have full control of your equipment.

Grades and curves.—Grades vary greatly, and you must know the road over which you operate so as not to overload your equipment beyond its ability to maintain a reasonable speed up the grades which will be encountered and to come to a stop within a reasonable braking distance at any point on the route.

Then there is the problem of meeting vehicles on grades where sight distances are short. Such a situation, which is far from uncommon, will create a hazard if you take chances in passing and do not have your truck fully under control and prepared to meet any emergency.

While much work has been done in recent years in the various States to straighten curves, and increase sight distances, there are still many rural roads where the curves are too sharp for our modern long vehicles and where sight distances are inadequate for present-day highway speed. These

are situations that you must keep in mind and adjust your driving for in an effort to avoid accidents.

Intersections.—One of the serious hazards in highway transportation is the intersection of highways with railroads and with other highways. Such intersections have in the past been the location of numerous and serious accidents. Many States have enacted regulations requiring vehicles either to stop at highway and railway intersections in rural areas or to proceed at a very slow speed, usually not over 5 to 10 miles per hour. It is important for all vehicle operators to conform to such regulations.

The importance of grade-crossing elimination and protection as a safety measure is fully recognized by the public, and every motor vehicle operator must cooperate.

Bridges.—Bridges are another source of danger on the highways. A bridge may either serve as a means of crossing a stream or a gully or it may provide an overpass for a railroad or other highway. Many of the bridges are posted with a sign showing the load limit which can be safely carried across them. Some drivers who disregard such warnings may be able to cross without accident but with each such crossing the bridge becomes weaker and may eventually break under a smaller load. Such accidents are avoidable, and every effort should be made to stay within the specified load limits.

Underpasses.—The danger connected with underpasses is that the clearance either at the top or on the sides may be rather limited. A number of States have regulations prescribing the maximum height and width of a motor vehicle in order to guard against accidents in underpasses. You should consult the motor vehicle department of the State or States where you propose to operate for specific information on these points.

Keep Your Truck in Condition

The third primary element in highway safety is the vehicle. Before a vehicle leaves for the day's work whether in local hauling or on an over-the-road service, a check should be made to determine that every part of the equipment functions properly. Even with the greatest care, however, something may get out of order during a day's operation beyond the convenient reach of a repair shop. The regulations issued by the Interstate Commerce Commission respecting safety, specify that "no motor vehicle shall be driven unless the driver thereof shall have satisfied himself that the following required parts and accessories are in good working order."

"Lighting devices and reflectors

"Brakes, both service and hand

"Horn

"Windshield wiper

"Rear-vision mirror

"Tires

"Steering mechanism

"Coupling devices."

The Interstate Commerce Commission safety regulations specify further that "on every tractor there shall be at least the following lighting devices:

"(a) On the front, two head lamps, one at each side; two amber clearance lamps, one at each side.

"(b) On the rear, one red tail lamp; one red or amber stop light."

These regulations specify further that "on every semitrailer or full trailer having a gross weight in excess of 3,000 pounds there shall be at least the following lighting devices and reflectors:

"(a) On the front, two amber clearance lamps, one at each side.

"(b) On the rear, one red tail lamp; one red or amber stop light; two red clearance lamps, one at each side; two red reflectors, one at each side.

"(c) On each side one amber side-marker lamp, located at or near the front; one red side-marker lamp, located at or near the rear; one amber reflector located at or near the front; one red reflector, located at or near the rear."

While the safety regulations promulgated by the Interstate Commerce Commission are applicable only to motor vehicle operators who are subject to regulation by the Interstate Commerce Commission, they are nevertheless useful also for operators in other fields because they specify a minimum standard which all operators should consider.

Insurance Requirements for Trucks

To a large extent truck operators can protect themselves against the financial impact of highway accidents by means of insurance. At the present time all the States, except Nevada, New Hampshire, New Jersey, South Dakota, and Vermont, require truck operators to carry insurance of from \$5,000 to \$10,000 for public liability and from \$1,000 to \$5,000 for property damage.



Courtesy American Trucking Associations, Inc.

Some large truck operators maintain their own body and paint shops where trucks may be entirely reconditioned.

In addition, many States require from \$500 to \$2,500 insurance against cargo damage and some States require fidelity and other types of bonds.

Since the insurance requirements vary from one State to another and are likely to change in any State on relatively short notice, you are urged to investigate the current requirements in the State where you expect to operate. An appendix in the back of this book shows the present insurance requirements of the various States.

Even if the insurance requirements of the State law are rather limited, you should consider insurance as protection against unforeseeable accidents. While insurance will involve some expense, it may be far less expensive than a single serious accident.

Claims Against You

In the trucking business claims may arise from loss of articles accepted for transportation, from pilfering and from accidents. There are other types of claims but these are probably the most important. It is possible to carry insurance against many losses. Whether or not the losses are insurable, you will find yourself in the position of being required to settle claims for some losses. If the loss is covered by insurance, the simplest way will be to let the insurance company settle the matter. In claims not covered by insurance you must make arrangement in other ways for settling the claim.

There are different ways in which uninsured claims may be settled. One way is settlement by negotiation. If the claimant is ready to settle on a basis which the operator considers fair and equitable, settlement by negotiation is the simplest way of handling uninsured claims. Cases may arise, however, in which the claims are more complicated and in which the views of the claimant and yourself are too far apart for convenient settlement by negotiation. For such cases perhaps the most convenient thing to do is to refer to the *Motor Carriers Freight Claims Rules Book*. This book contains the rules governing a carrier in the handling of freight claims, and the recommended principles and practices which will guide him in the handling and settlement of such claims.

To assist truckers in claim matters, the American Trucking Associations, Inc., has organized a "Freight Claims Section." The purposes of the section are: "The prompt and lawful settlement of freight claims with claimants, the prompt and equitable apportionment among carriers of amounts paid in settlement of freight claims, the study of causes of loss and damage in connection with freight traffic and the suggestion of measures for the prevention thereof, and cooperation with insurance companies and their representatives or any other allied interests."

The freight claims section also cooperates with and grants assistance to local claims groups in the organization and the centralized handling of claims.

You should, for your own guidance in matters relating to claims, communicate with the State and local association of truck operators to obtain such advice and assistance as may be available.

APPENDIX I

INSURANCE REQUIREMENTS FOR TRUCKS

	Public liability (one person)	Public liability (any number of persons in any one accident)	Property damage (excluding cargo)	Cargo liability	Bond	C. O. D. bond	Fidelity bond	Cargo weight
Alabama:								
Common carriers	\$5,000	\$10,000	\$1,000	\$1,000		\$1,000		
Contract carriers	5,000	10,000	1,000	None		None		
Private carriers	(¹)							
Arizona:								
For-hire carriers	\$5,000-10,000		5,000	(²)				
Arkansas:								
For-hire carriers	5,000-10,000		1,000	None	Yes			
Private carriers	(³)							
California:								
All for-hire carriers	5,000-10,000		5,000		Yes, or trust			
Private carriers	(¹)							
Colorado:								
Commercial carriers	5,000-10,000		1,000	None	Yes		\$1,000	
Common carriers	5,000-10,000		1,000	\$500-1,000	Yes		1,000	
Private carriers	5,000-10,000		1,000	None	Yes		1,000	
Connecticut:								
For-hire carriers	10,000-20,000		5,000	None				
Private carriers	(³)							

Delaware ⁴									
District of Columbia ⁵									
Florida:									
Common carriers	5,000-10,000								
Contract carriers	5,000-10,000	1,000							
Private carriers	(³)	1,000	500	Yes					
Georgia:									
For-hire carriers	5,000-10,000	5,000	2,000	Yes					1,000
Private carriers	(³)								
Idaho:									
Auto transportation company	5,000-10,000	5,000							
Private and other for-hire carriers	(³)								
Illinois:									
Line-haul carrier	5,000-10,000	5,000	1,000-2,000						(⁶)
Indiana:									
Common carriers	5,000-10,000	1,000	2,500	Yes					1,000
Contract carriers	5,000-10,000	1,000	None	Yes					None
Private carriers	(³)								
Iowa:									
For-hire carriers	5,000-10,000	1,000	1,000	Yes					
Private carriers	(³)								
Kansas:									
All commercial carriers	5,000-10,000	5,000		Yes					
Kentucky:									
Carriers of property	5,000-10,000	1,000							
Louisiana:									
Common carriers	10,000	1,000		Yes					
Contract carriers	10,000	1,000		Yes					
Private carriers	(³)								
Maine:									
For-hire carriers	10,000-20,000	5,000		Yes					
Private carriers	(³)								
Maryland:									
For-hire carriers	5,000-10,000	1,000		Yes					
Private carriers	(³)								
Massachusetts:									
All property carriers	5,000-10,000	(⁵)	(⁵)	Yes					

5,000 lbs.
or less.
Over 5,000
lbs.

	Public liability (one person)	Public liability (any number of persons in any one accident)	Property damage (excluding cargo)	Cargo liability	Bond	C. O. D. bond	Fidelity bond	Cargo weight
Michigan: For-hire carriers----- Private carriers-----	\$10,000-\$20,000 or 7,500-35,000 (3)		\$3,000					
Minnesota: Auto transportation companies----- Common carriers (irregular route) and contract carriers.	10,000-20,000 10,000-20,000		1,000 5,000	(1)	No No		\$1,000 None	
Mississippi: For-hire carriers----- Private commercial carriers-----	5,000-10,000 (3)		5,000		Yes		500	
Missouri 7-----								
Montana: For-hire carriers----- Private carriers-----	5,000-10,000 (3)		5,000	\$1,000				
Nebraska: For-hire carriers----- Private carriers-----	5,000-10,000 (3)		1,000		Yes			
Nevada 3-----								
New Hampshire 3-----								
New Jersey 3-----								
New Mexico: Common carriers----- Contract carriers-----	7,500-10,000 Same		1,000 1,000	2,000 2,000	Yes Yes		1,000 (1)	
New York: For-hire carriers----- Private carriers-----	5,000-10,000 (3)		1,000	1,000				
North Carolina: Franchise haulers and restricted common carriers. Private carriers and contract haulers.	5,000-10,000 (3)		1,000		None			

North Dakota:									
For-hire carriers.....	10,000				1,000				
Private carriers.....	(3)								
Ohio:									
Motor transportation company or common carriers.....	6,000-12,000				1,000	Yes.....			
Private or contract carrier.....	6,000-12,000				None	No.....			
Other carriers.....	(3)								
Oklahoma:									
For-hire carriers.....	5,000-10,000				2,500				
Private carriers.....	(3)								
Oregon:									
Common carriers.....	5,000-10,000				1,000	Yes.....		2,500	
Contract carriers.....	5,000-10,000				1,000	Yes.....		None	
Private carriers.....	5,000-10,000				1,000	Yes.....		None	
Pennsylvania:									
Common carriers.....	5,000-10,000				1,000			500	
Contract carriers.....	5,000-10,000				1,000			500	
Rhode Island:									
For-hire carriers.....	5,000-10,000				1,000			None	
Private carriers.....	(3)								
South Carolina:									
For-hire carriers.....	5,000-10,000				1,000	Yes.....		1,000	250
Class D and F carriers.....									
Class E carriers.....	1,000				None	Yes.....		None	250
Private carriers.....	(3)								
South Dakota ³ :									
Tennessee:									
For-hire carriers.....	5,000-10,000				1,000				
Private carriers.....	(3)								
Texas:									
Common carriers.....	5,000-10,000				5,000	Yes.....		1,000	
Contract carriers.....	5,000-10,000				5,000	Yes.....		None	
Specialized carriers.....	5,000-10,000				5,000	Yes.....		None	
Private carriers.....	(3)								
Utah:									
For-hire carriers.....	5,000-10,000				1,000	Yes.....		500	
Private carriers.....	(3)								
Vermont ³ :									

Per ton ca-
pacity.

	Public liability (one person)	Public liability (any number of persons in any one accident)	Property damage (excluding cargo)	Cargo liability	Bond	C. O. D. bond	Fidelity bond	Cargo weight
Virginia:								
Common carriers	\$5,000-\$10,000		\$1,000	Yes				
Restricted common carriers	5,000-10,000		1,000	Yes				
Contract carriers	5,000-10,000		1,000	Yes				
Private carriers	(³)			None				
Washington:								
For-hire carriers	5,000-10,000		5,000					
Private carriers	(³)							
West Virginia:								
For-hire carriers	5,000-10,000		1,000	\$1,000	Yes			
Private carriers	(³)							
Wisconsin:								
For-hire carriers	5,000-20,000		5,000		Yes		None	
Private carriers	(³)							
Wyoming: ³								
Common motor carriers	5,000-10,000		1,000	\$1,000-2,000		\$250	None	

¹ None required.

² Amount fixed by State Commission.

³ No insurance requirements.

⁴ No provisions.

⁵ None specified.

⁶ C. O. D. shipments.

⁷ No stated amount specified.

⁸ Contract, private, and interstate carriers not required to file insurance.

APPENDIX II

WAR ASSETS

ADMINISTRATION

VETERANS' CERTIFICATION OFFICES

- Alabama*—Birmingham 1, Comer Bldg.
Arizona—Phoenix, 426 Security Bldg.
Arkansas—Little Rock, 312 Pyramid Bldg.
California—San Francisco 3, 1355 Market St.
Los Angeles, 1031 S. Broadway
San Diego, Columbia & Eastern Sts.
Connecticut—Bridgeport 3, 144 Golden Hill St.
Hartford 4, 119 Ann St.
New Haven 10, 152 Temple St.
Colorado—Denver 2, 311 Midland Savings Bldg.
Delaware—Wilmington 50, 406 Pennsylvania Bldg.
District of Columbia—Washington, Room 254, 101 Indiana Ave., NW.
Florida—Jacksonville 1, 314 W. Monroe St.
Tallahassee, 319 E. Gaines St.
Tampa 2, 801 Stovall Professional Bldg.
Miami 32, Congress Bldg.
Orlando, 201 Palm Arcade Bldg.
Georgia—Atlanta 3, 699 Ponce de Leon Bldg.
Savannah, 305 Georgia State Savings Association
Idaho—Boise, Capital Securities Bldg.
Illinois—Chicago 6, 226 W. Jackson Blvd.
Decatur, 339 Standard Office Bldg.
Peoria, 531 Alliance Life Bldg.
Rockford, 227 North Wyman St.
Indiana—Evansville 9, 1 Koenig Bldg.
Fort Wayne 2, 434 Utility Bldg.
Indianapolis 4, 1027 Circle Tower Bldg.
South Bend 9, 602 Pythian Bldg.
Iowa—Davenport, 712 Kahl Bldg.
Des Moines 9, 320 Liberty Bldg.
Kansas—Wichita, 205 York Rite Bldg.
Kentucky—Louisville 2, 200 Hoffman Bldg.
Louisiana—New Orleans 12, 407 Canal Bldg.
Maine—Portland 3, 142 High St.
Maryland—Baltimore 2, 1114 O'Sullivan Bldg.
Massachusetts—Boston 8, 1 Court St.
Lowell, 8 Merrimac St.
Springfield 3, 1200 Main St.
Worcester 8, 340 Main St.
Michigan—Detroit 2, 424 Boulevard Bldg.
Grand Rapids 2, 310 Keeler Bldg.
Saginaw, 321 Peoples Loan Bldg.
Minnesota—Duluth, 310 Christie Bldg.
Minneapolis, 720 Hodgson Bldg.
Mississippi—Jackson 1, 1101 Tower Bldg.
Missouri—Kansas City, 500 Mutual Bldg.
St. Louis, 915 Paul Brown Bldg.
Montana—Butte, 310 Meyer Bldg.
Nebraska—Omaha, Woodmen of the World Bldg.
New Hampshire—Manchester, 813 Elm St.
New Jersey—Newark, 20 Washington Pl.
Trenton 8, 522-523 Broad St., Bank Bldg.
New Mexico—Albuquerque, 103½ W. Central
New York—Albany, 112 State St.
Brooklyn, 16 Court St.
Buffalo, 808 Rand Bldg.
New York 1, 350 Fifth Ave.
Rochester, 725 Commerce Bldg.
Syracuse, 224 Harrison St.
Utica, 407 First National Bank Bldg.
North Carolina—Charlotte 2, 400 Charlotte Law Bldg.
North Dakota—Fargo, 207 Walker Bldg.

VETERANS' CERTIFICATION OFFICES—Continued

- Ohio*—Toledo 4, 201 Paramount Bldg.
Canton 2, 717 First National Bank Bldg.
Cincinnati 2, 38-40 E. Fourth St.
Cleveland 14, East Wing Lobby, Union Commerce Bldg.
Columbus 15, 1037 N. High St.
Dayton 2, 129 S. Ludlow St.
- Oklahoma*—Oklahoma City 2, 324 Key Bldg.
Tulsa 3, 512 Petroleum Bldg.
- Oregon*—Portland, 815 Bedell Bldg.
- Pennsylvania*—Allentown, 512-514 Hamilton St.
Reading, 901 Colonial Trust Bldg.
Erie, 808 Commerce Bldg.
Harrisburg, 713 Blackstone Bldg.
Philadelphia 3, 1612 Market St.
Scranton 3, 418 First National Bank Bldg.
Pittsburgh, Bessemer Bldg.
- Rhode Island*—Providence 3, 631 Industrial Trust Bldg.
- South Carolina*—Columbia 56, 206 Waters Bldg.
- South Dakota*—Sioux Falls, 310 Policyholders Bldg.
- Tennessee*—Chattanooga, 910 James Bldg.
Knoxville, Fidelity Bankers Trust Bldg.
- Memphis 1, 1821 Sterick Bldg.
Nashville 3, 320 Stahlman Bldg.
- Texas*—Dallas 1, 507 Mercantile Bank Bldg.
Houston 2, 1006 Electric Bldg.
San Antonio 5, 1904 Transit Tower Bldg.
Texarkana, 817 Texarkana Natl. Bank Bldg.
El Paso, 410 Caples Bldg.
- Utah*—Salt Lake City 1, 319 Atlas Bldg.
- Vermont*—Montpelier, 84 State St.
- Virginia*—Richmond 19, 617 E. Franklin St.
Norfolk 10, 319 Wainwright Bldg.
Roanoke, 614 State and City Bank Bldg.
- Washington*—Spokane, 1023 W. Riverside
Seattle, 4448 Stuart Bldg.
Tacoma, 1204 A St.
- West Virginia*—Charleston 1, 612 Atlas Bldg.
- Wisconsin*—Eau Claire 1, 128½ Graham Ave.
Green Bay, 208 Main St.
Madison 3, 119 E. Washington Ave.
Milwaukee 1, 161 W. Wisconsin Ave.
Wausau, First American State Bank Bldg.

REGIONAL OFFICES

- Alabama*—Birmingham 6, 1955 Fiftieth St., N., McClellan Ratchford, Regional Director
- Arkansas*—Little Rock, Wallace Bldg., Charles C. Christian, Regional Director
- California*—Los Angeles 14, Hill St. and Washington Blvd., Serge F. Ballif, Jr., Regional Director
San Francisco 2, 30 Van Ness Ave., Leland C. Dedo, Regional Director
- Colorado*—Denver 2, 728 Fifteenth St., John A. Skeen, Regional Director
- Florida*—Jacksonville 2, St. John's Shipyard Administration Bldg., William J. Warren, Regional Director
- Georgia*—Atlanta 3, 699 Ponce de Leon Bldg., H. L. Kennon, Regional Director
- Illinois*—Chicago 4, 209 S. LaSalle St.
- Kentucky*—Louisville 2, 103 S. Fifth St., Robert D. Bottomley, Regional Director
- Louisiana*—New Orleans 12, 7020 Franklin Ave., Leonard E. Barnes, Regional Director
- Massachusetts*—Boston 16, 600 Washington St., John E. Millea, Regional Director
- Michigan*—Detroit 26, Buhl Bldg., Henry F. Eckfeld, Regional Director
- Minnesota*—Minneapolis 1, 504 Metropolitan Life Bldg., Arthur W. Carlson, Regional Director
- Missouri*—St. Louis 2, 505 N. Seventh St., Charles G. Alexander, Regional Director
- Kansas City 6, Troost and Bannister Rd. (95th St.), John E. Kirchner, Regional Director

REGIONAL OFFICES—Continued

Montana—Helena, Power Block, Vernon W. Pomeroy, Regional Director

Nebraska—Omaha 2, 601 Woodmen of the World Bldg., Gordon T. Burke, Regional Director

New York—New York 1, 350 Fifth Ave., Frank L. Setmour, Regional Director

North Carolina—Charlotte 1, 317 South Tryon St., J. W. Wilson, Regional Director

Ohio—Cincinnati 2, 704 Race St., J. K. Wilson, Regional Director

Cleveland 1, 1746 East Twelfth St., Floyd E. Brickel, Regional Director

Oklahoma—Oklahoma City 2, 200 Cotton Exchange Bldg., R. D. Wilbor, Jr., Regional Director

Oregon—Portland 5, 310 S. W. Sixth Ave., C. T. Mudge, Regional Director

Pennsylvania—Philadelphia 2, 1528 Walnut St., George L. Evans, Regional Director

Tennessee—Nashville 3, Consolidated-Vultee Bldg., H. W. McMenemy, Regional Director

Texas—Dallas 1, 2001 McKinney Ave., A. G. Elmendorf, Regional Director
Fort Worth 2, Texas & Pacific Office Bldg., Hamilton Morton, Regional Director

Houston 2, 900 Rusk Bldg., Albert E. Regester, Regional Director

San Antonio 5, S. St. Mary's and Villita Sts., W. J. Walthall, Regional Director

Utah—Salt Lake City 1, 504 Dooly Bldg., Joseph S. Willes, Regional Director

Virginia—Richmond 19, Richmond Trust Bldg., A. H. Graham, Regional Director

Washington—Seattle 1, 2005 Fifth Ave., Orrin C. Bradeen, Regional Director
Spokane 8, 500 Welch Bldg., James G. Wilcox, Regional Director

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Department of Commerce

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(September 4, 1946)

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Charleston 3, S. C., 310 Peoples Bldg.
Charleston 1, W. Va., 612 Atlas Bldg.
Charlotte, N. C., 112½ E. Fourth St.
Chattanooga 2, Tenn., 924 James Bldg.
Chicago 4, Ill., 357 U. S. Courthouse.
Cincinnati 2, Ohio, 1204 Chamber of Commerce Bldg.
Cleveland 14, Ohio, 1286 Union Commerce Bldg.
Columbus 1, Ohio, 1037 N. High St.
Dallas 2, Tex., 602 Santa Fe Bldg.
Denver 2, Colo., 302 Midland Savings Bldg.
Des Moines 9, Iowa, 518 Grand Ave., Room 300.
Detroit 26, Mich., 1028 New Federal Bldg.
Duluth 5, Minn., 310 Christie Bldg.
El Paso 7, Tex., Chamber of Commerce Bldg.
Fargo, N. Dak., 207 Walker Bldg.
Grand Rapids 2, Mich., 736 Keeler Bldg.
Hartford 6, Conn., 436 Capitol Ave.
Houston 14, Tex., 603 Federal Office Bldg.
Jacksonville 1, Fla., 425 Federal Bldg.
Kansas City 6, Mo., 600 Interstate Bldg.
Little Rock 5, Ark., 312 Pyramid Bldg.
Los Angeles 12, Calif., 1540 U. S. Post Office and Courthouse.
Louisville 1, Ky., 631 Federal Bldg.
Manchester, N. H., Beacon Bldg.
Memphis 3, Tenn., 229 Federal Bldg.
Miami 32, Fla., 701 Congress Bldg.
Minneapolis 1, Minn., 1234 Metropolitan Life Bldg.
Mobile 5, Ala., City Hall Annex.
New Haven 10, Conn., 152 Temple St.
New Orleans 12, La., Masonic Temple Bldg.
New York 1, N. Y., Empire State Bldg., 60th Floor.
Oklahoma City 2, Okla., 901-905 Petroleum Bldg.
Omaha 2, Nebr., 918 City National Bank Bldg.
Peoria 2, Ill., 531 First National Bank Bldg.
Philadelphia 3, Pa., 1612 Market St.
Phoenix 8, Ariz., 234 N. Central St.
Pittsburgh 19, Pa., 1013 New Federal Bldg.
Portland 3, Maine, 142 High St.
Portland 4, Oreg., 520 S.W. Morrison St.
Providence 3, R. I., 631 Industrial Trust Bldg.
Richmond 19, Va., 801 E. Broad St., Room 2, Mezzanine.
St. Louis 1, Mo., 107 New Federal Bldg.
Salt Lake City 1, Utah, 321 Atlas Bldg.
San Antonio 5, Tex., 101 Transit Tower Bldg.
San Diego 1, Calif., 906 Columbia St.
San Francisco 11, Calif., 307 Customhouse.
Savannah, Ga., Room 6, U. S. Courthouse and Post Office Bldg.
Seattle 4, Wash., 809 Federal Office Bldg.
Sioux Falls 6, S. Dak., 310 Policyholders National Bldg.
Syracuse 2, N. Y., 224 Harrison St.
Texarkana 5, Tex., 317 Texarkana Nat'l Bank Bldg.
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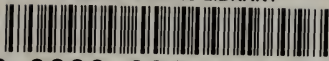
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